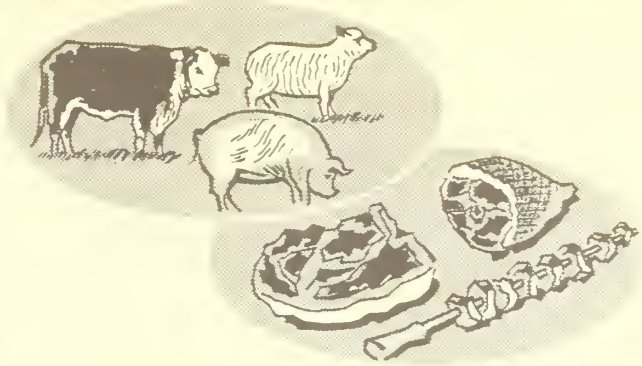
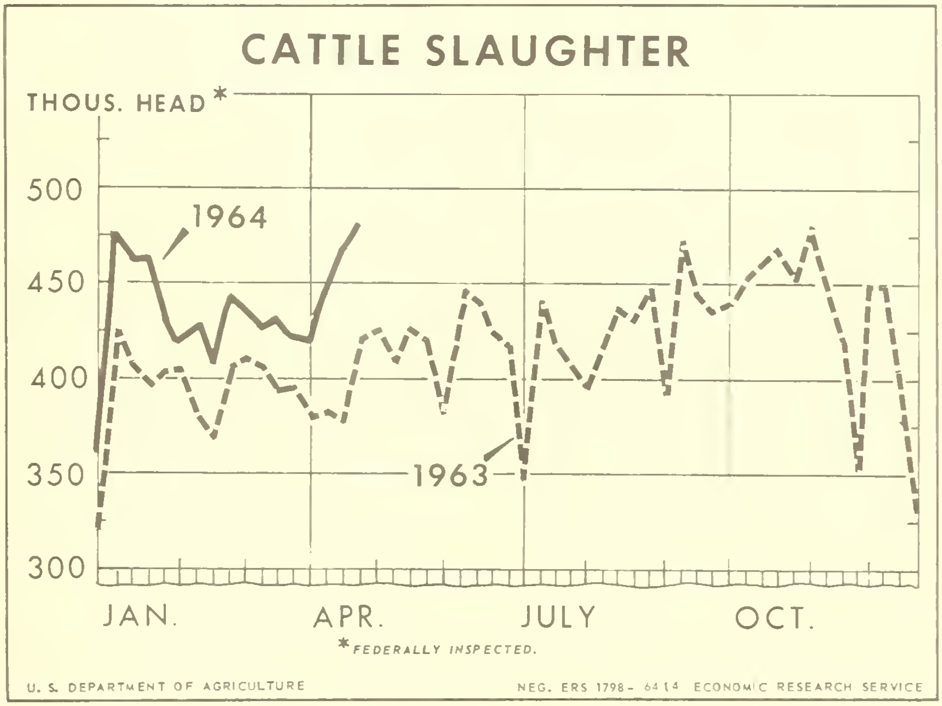
LIVESTOCK and MEAT SITUATION



LMS-137 For Release May 8, P. M. MAY 1964

Cattle slaughter under Federal inspection so far this year has been r[illegible]ing about 10 percent higher [illegible] in the same weeks of 1963. The average liveweight per head slaughtered has also been 1 to 2 percent heavier. Thus, beef production has been up more than the number of animals slaughtered.

Cattle slaughter likely will continue at a high rate the rest of this spring and summer as a large number of heavyweight cattle are in feedlots. These will attain marketable weights before midsummer; grass-fed cattle slaughter is expected to be somewhat larger than a year earlier.



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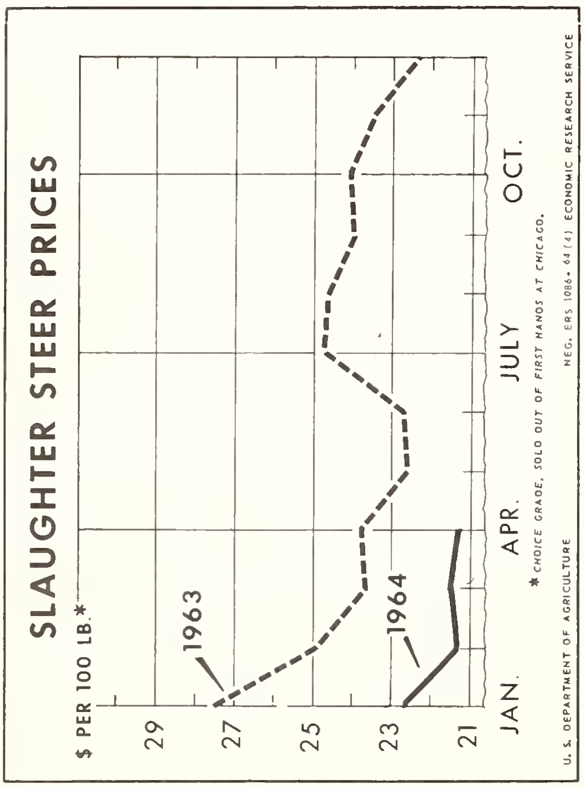

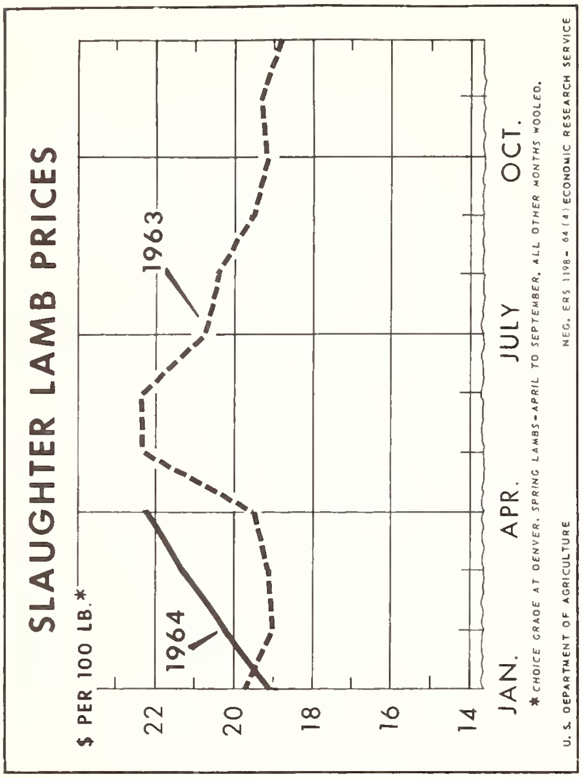

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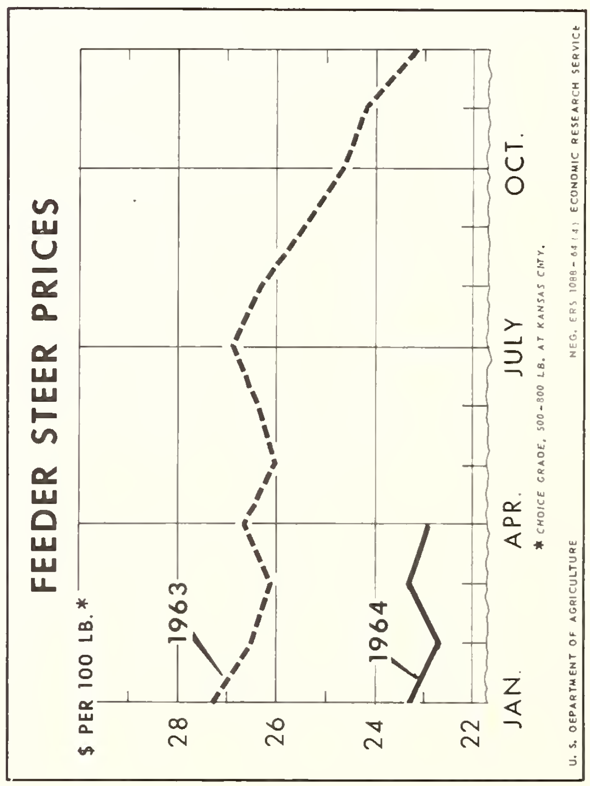
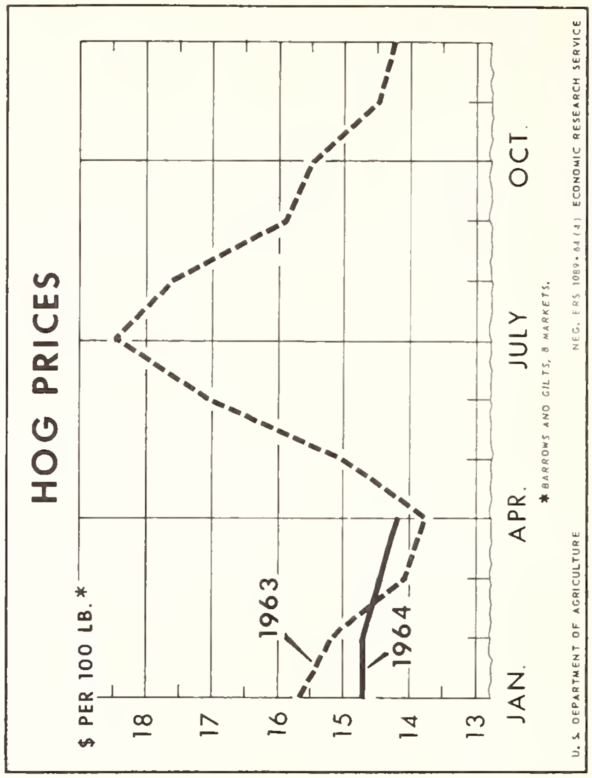




THE LIVESTOCK AND MEAT SITUATION

Approved by the Outlook and Situation Board, April 30, 1964

CONTENTS

SUMMARY

A continued high rate of fed cattle slaughter is in prospect for the rest of this spring and summer. There were 1 percent more cattle on feed April 1 than a year earlier; in addition, those in heavy weight groups that will make up the bulk of marketings out of feedlots in coming months were up 8 percent. Placements of cattle on feed were 20 percent greater in the first quarter than a year earlier; many of these cattle going into feedlots were heavy, the kind that can reach finished slaughter weights in less than 6 months. Largely as a result of this, feeders have reported plans to market 6 percent more fed cattle in the second quarter of this year than a year earlier.

Because of the prospective large marketings, fed cattle prices likely will continue near the first quarter average of $21.84 for Choice steers at Chicago the rest of this spring and into the summer.

Fed cattle marketings and prices in the second half of 1964 will depend to a considerable extent upon the movement of the abundant supply of feeder cattle into feedlots this spring and summer. The size of this movement in turn will depend somewhat on weather conditions. Favorable pasture and range conditions would enable feeder cattle suppliers to keep their animals on grass, lending some support to fed cattle prices. In this event, fed cattle prices might show some modest improvement over current levels. But poor grazing conditions would encourage heavy placements. If placements continue at the first quarter rate, fed cattle prices likely will remain near those thus far this year.

The USDA on March 1 announced programs for the purchase of Choice frozen beef and canned beef to relieve the downward pressure on cattle prices. The meat is for distribution to schools, institutions, and needy families.

The amount and distribution of rain in May and June largely determines the number of cattle that summer and fall pastures can support in much of the West. Range conditions have been below average this spring and subsoil moisture in many sections of the country is low.

Feeder cattle prices probably will be under greater pressure the rest of 1964 than in recent years. There is a plentiful supply of feeder cattle; feedlot operators will try to buy replacements at a price that can return a profit with relatively low fed cattle prices.

Imports of beef and veal during January and February averaged about a tenth lower than a year earlier. Live cattle imports were down substantially.

The decline in sows farrowing which began in the second half of 1963 is now beginning to show up in hog slaughter. Rates of slaughter recently dropped below year-earlier levels and are expected to remain down the rest of 1964. Lower hog slaughter will mean higher prices to farmers for live hogs.

Hog prices averaged $14.63 in the first quarter, 32 cents below January-March 1963 (barrows and gilts at 8 markets). This was in response to a 3 percent increase in commercial hog slaughter from a year earlier. However, because of declining hog slaughter, prices likely will average higher than a year earlier in remaining months of 1964. Barrows and gilts at 8 markets in the second quarter probably will average a little higher than the $15.30 average in April-June 1963. Third and fourth quarter prices likely will remain above 1963 levels, with the largest gain over a year earlier in the fourth quarter.

Higher hog prices this year probably will lead to an expansion in the number of sows farrowing late this year or early in 1965.

Sheep and lamb slaughter through mid-April was down almost 7 percent from a year earlier. Slaughter lamb prices after mid-February were considerably higher than a year earlier. The feeding of lambs for slaughter in early 1964 was generally more profitable than in other recent years. Feeder lamb prices also were higher after mid-winter but sheep prices were lower. Slaughter lamb prices are expected to be seasonally lower during the summer but likely will average higher than last summer.

Sheep and lamb numbers have continued to decline this year at about the same rate as in early 1963.

REVIEW AND OUTLOOK

CATTLE

Cattle prices have declined sharply since the fall peak of 1962, when Choice steers at Chicago averaged over $29 per 100 pounds live weight--the highest autumn price since 1952. The high price in late 1962 resulted from reduced production of steer and heifer beef, down about 4 percent in 1962's third and fourth quarters from the same quarters a year earlier.

Cattle numbers were large and in response to favorable prices, cattlemen stepped up beef production. Steer and heifer beef production in the first quarter of 1963 rose 5 percent above a year earlier and has averaged higher since. The rate of increase during 1963 picked up as the year went on; the last 3 quarters were up 12, 14, and 18 percent, respectively. Production has continued heavy this year.

Fed cattle prices started dropping last year as production increased. Choice steers at Chicago dipped below $23 in May and June last year, rallied above $24 in the summer months, then fell off again in the fall. They averaged about $22 at the end of the year and have stayed near this level so far this year.

First Quarter Cattle Slaughter and Beef Production Up

Large marketings in the first quarter continued to keep pressure on prices. Commercial cattle slaughter was up about 8 percent from a year earlier, and beef production was up 11 percent because of heavier live weights of the cattle slaughtered. Steers sold out of first hands for slaughter at 14 selected markets averaged 1,165 pounds live weight (all weights and grades) in March, 32 pounds heavier than a year earlier. Heifer weights at these same markets were up 22 pounds.

All classes of cattle slaughtered in the first quarter showed an increase over a year earlier. Steer slaughter under Federal inspection was up 13 percent and heifers were up about 7 percent. These high rates resulted from increased numbers moving through feedlots to slaughter and an increase in nonfed cattle slaughter. The recent Cattle and Calves on Feed Report showed that first quarter marketings out of feedlots were up 10 percent from a year earlier and up 5 percent from the fourth quarter of last year. Cow slaughter in the first quarter also showed an increase over a year earlier.

Fed cattle slaughter the rest of this spring and summer likely will remain large. On April 1 there were 8 percent more animals than a year earlier on feed in weight groups above 900 pounds. The 700-899 pound group contained 9 percent more cattle. Those weighing less than 700 pounds were down 8 percent. Cattle feeders stated intentions as of April 1 to market 6 percent more cattle in the second quarter than they did a year earlier. This would also be about 3 percent larger than in the first quarter of this year.

Fed cattle marketings in the second quarter are expected to be up more in the Corn Belt than in the Western States. Both regions reported only 1 percent more animals on feed April 1 than a year earlier, but the Corn Belt States gained more cattle in heavy weight groups, which will supply the bulk of the fed cattle marketings in the second quarter. Cattle weighing 700 pounds and over were up 10 percent in the Corn Belt, up 4 percent in the Western States. Corn Belt feeders expect to market 46 percent of the April 1 numbers during the next 3 months while western feeders expect to market 54 percent of their April 1 numbers on feed.

Table 1.--Selected prices per 100 pounds of cattle, by months, 1963 and 1964

Month	Chicago				Kansas City			
	Choice steers		Utility cows		Good feeder steers 500-800 lb.		Choice feeder steer calves	
	1963	1964	1963	1964	1963	1964	1963	1964
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
January	27.27	22.61	15.07	13.19	25.14	21.32	29.50	26.01
February	24.93	21.34	15.00	13.51	24.42	20.76	29.68	26.16
March	23.63	21.56	15.52	14.58	24.00	20.92	29.18	26.64
April	23.77	1/21.30	15.74	1/14.84	24.18	1/19.90	29.48	1/25.45
May	22.61		16.31		23.74		28.96	
June	22.69		16.26		24.18		29.21	
July	24.72		15.33		24.77		29.42	
August	24.60		15.65		24.15		28.66	
September	23.94		15.10		23.56		27.91	
October	24.03		14.64		22.84		27.04	
November	23.51		13.82		22.41		26.78	
December	22.30		12.71		21.14		25.74	
Average	23.96		15.10		23.71		28.46	

1/ 4-week average.

Large Placements of Feeder Cattle in January-March

Cattle feeders in the first quarter reacted to previously favorable price prospects for this spring and summer by putting on feed a large number of cattle that would reach slaughter weights before midyear. Therefore, many heavyweight feeder cattle went on feed after the first of the year. More heavyweight cattle were on feed April 1 than a year earlier, even though first quarter fed cattle marketings were up. Lighter weight cattle were down despite the fact that the number of cattle placed on feed was 20 percent larger than in the first quarter of 1963. Also, cattle on feed for less than 3 months were up 21 percent, while those on feed 3 to 6 months were down 9 percent and those on feed 6 months and longer were off 7 percent. This means that the previously expected lull in fed marketings for the spring and summer is no longer likely to occur. The reaction early this year to future market prospects was very fast and large; it could not have taken place without the large available supply of all types of feeder cattle.

Feeder cattle placements this spring and summer will determine to a considerable extent the volume of fed cattle marketings during the summer and next fall. At the beginning of the year, the number of cattle suitable for feedlot finishing was up about 2 million head from a year earlier. So feeder cattle supplies are still large. However, with the first quarter's high rate of steer and heifer slaughter and very large placement of heavy cattle, the present number of feeder animals which were classified as steers and heifers last January 1 may not be much different from a year earlier. The number of steers on hand April 1 which were classified as steers 1 year old and older on January 1 probably were down from April 1 a year earlier while heifers available likely were up. But the bulk of the placements for the remainder of this year will come out of last year's calf crop. On January 1, there were 24.4 million beef calves on farms, up more than a million head from a year earlier.

The number of cattle placed on feed in coming months will depend somewhat on weather conditions. If range and grazing conditions are good, many 1963-crop calves likely will be held on grass through summer and, therefore, may not be placed on feed until next fall. However, should dry weather conditions prevail, the stocking capacity of Western ranges would be reduced and many of these cattle likely would move into feedlots earlier in the year.

Imports of live cattle from Canada and Mexico will be another factor affecting the available supply of feeder cattle the rest of this year. Such imports in the last 3 months of 1963 were down 347,000 head from a year earlier; in the first 2 months of 1964 they were down 130,000 head. The outlook is for even fewer cattle to be imported in 1964 than the reduced level of last year, primarily because of low fed cattle prices and consequently low prices for feeder stock.

Cattle Prices Mostly Steady This Summer

Choice steers at Chicago averaged $21.84 in the first quarter compared with $25.28 a year earlier. Prices in the second quarter likely will continue near the first quarter average. Supplies of fed cattle will be large in these months; no significant shift to marketing at lighter average slaughter weights is now apparent. The large number of heavyweight cattle placed on feed in the first quarter served to insure heavy slaughter weights. Heavier weight feeder cattle indicate older animals being placed on feed, many of which may not make the desired grade until quite heavy.

Fed cattle prices in the second half will depend largely upon the movement of the abundant supply of feeder cattle into feedlots this spring and summer. If placements in coming months are not much different from the same months last year, fed cattle prices may show a modest improvement over current levels in the latter half of 1964. This situation could develop if range conditions are very good and many feeder cattle stay on grass through the

Table 2.--Number of cattle and calves on feed
April 1, by regions, 1959 to date

Year	North Central States: East	North Central States: West	Texas and Oklahoma	Western States: California and Arizona	Western States: Colorado: Idaho Montana and Utah	Western States: Other	21 States	28 States
	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head
1959	1,210	3,364	194	565	531	---	5,933	---
1960	1,249	3,582	210	709	581	264	6,407	---
1961	1,303	3,739	283	838	587	272	6,828	---
1962	1,252	3,736	340	939	602	289	6,941	7,321
1963	1,329	4,063	442	1,168	697	314	7,765	8,150
1964 1/	1,296	4,167	442	1,139	732	330	7,845	8,265

1/ Preliminary.

summer instead of moving into feedlots. In addition, pork and imported beef supplies are expected to be down in July-December, tending to reduce the overall supply of meat available for consumption. The recent tax cut will also lend some support to meat animal prices.

But the plentiful supply of animals suitable for feedlot finishing points to continued heavy placements and slaughter, particularly if range conditions are poor. Such conditions would prevent even a modest improvement in prices.

Feeder Cattle

Feeder cattle prices are currently about $4 below a year earlier. Choice 500-800 pound feeder cattle at Kansas City averaged $22.82 in April (4-week average). Feeder cattle prices likely will decline somewhat this spring and summer and be under price pressure the rest of the year, unless weather conditions are ideal. There are plenty of feeder animals, and feedlot operators will try to buy replacements that will return a profit at the low fed cattle price level.

A further decline in feeder cattle prices from present levels may lead to larger nonfed steer and heifer slaughter. By mid-April this year the price spread between Good feeder steers at Kansas City and Standard slaughter steers at Chicago had narrowed to only $1.10 in favor of the feeder steers. If this margin becomes small enough, packer buyers will effectively compete with feedlot operators for nonfed cattle, and a larger number of these cattle will move

to slaughter. Wider margins usually prevail during periods when fed cattle prices are high. Very few young grass fed cattle move directly to slaughter, because cattle feeders bid these animals away from packer buyers. During such periods, feeder cattle are worth more as feedlot replacements than as slaughter cattle. In 1962, for example, Good grade 500-800 pound feeder steers at Kansas City averaged $24.88 per 100 pounds live weight, while Standard slaughter steers at Chicago averaged $22.83, or $2.05 lower.

A substantial increase in nonfed cattle slaughter the rest of 1964 would mean an additional increase in beef production. But, since the weight of nonfed cattle per head slaughtered would likely be light, it would not add as much beef to the national supply as it would if these cattle were grain finished before slaughter.

Cow Slaughter

Cow slaughter in recent years has been running at a low level, because calf prices have been favorable to producers and there has been a strong demand for heifers and cows for herd expansion. Even in areas of spotty dryness, cow slaughter has remained low; cows sold off dry ranges have often been moved to other areas with better grass conditions.

Cow slaughter was up in the first 3 months of this year and likely will remain above a year ago the rest of the year. The increase is likely, since feeder cattle prices into the fall months are expected to average below a year earlier, and slaughter cow prices may remain near a year earlier. For the year as a whole, however, only a modest increase in cow slaughter is expected. Most of the increase in cow slaughter likely will come from beef cows. Culling of dairy cows is not expected to be much different from a year ago, since the relationship between milk prices and cow prices favors light culling. Of course, any large-scale deterioration in the carrying capacity of western ranges would lead to much greater cow slaughter.

Cow prices dipped sharply in the closing months of 1963 but have since rebounded. Utility cow prices at Chicago averaged $12.71 in December, $2.20 below a year earlier; in April they averaged $14.84 (4-week average), only 90 cents below a year earlier. Cow prices likely will remain near year-earlier levels in the summer months even if cow slaughter is up a little. Lending support to cow prices are the reduced levels of beef imports. They were down in the first 2 months of this year and are expected to remain below a year earlier throughout the summer.

Summer Grazing Conditions Uncertain

Early spring range condition is not a reliable indicator of grass that will be available for summer and fall grazing. It is useful mainly in showing what the amount of available moisture was the previous grazing season. Data

on range conditions since 1923 show that extreme peaks and troughs from average conditions during the second half of a year are followed by similar conditions early the next spring. And like the weather, range conditions vary considerably from one year to the next.

Even by the first of April or May, range conditions are not usually reliable in estimating grass conditions for the second half of the year. Rain in May and June seems to determine largely the number of cattle that can be supported by summer and fall pastures in much of the West. Therefore, it appears premature now to draw conclusions about the amount of range feed available in the second half of 1964.

The most recent range and livestock report for the 17 Western States showed that range conditions improved slightly during March, but that they were below conditions of last year and the 1958-62 average. Further rain is needed to insure good forage this spring and summer because subsoil moisture in many sections of the country is reportedly low. However, it appears that Western grass conditions will be good enough this spring to prevent any large-scale movement of foundation herds to slaughter during the next few months.

The next report on range conditions will be released on May 12.

Condition of cattle was mostly unchanged in March. On April 1, the condition of cattle and calves was 80, up 1 point from March 1, but 1 point below a year earlier and 2 points below average.

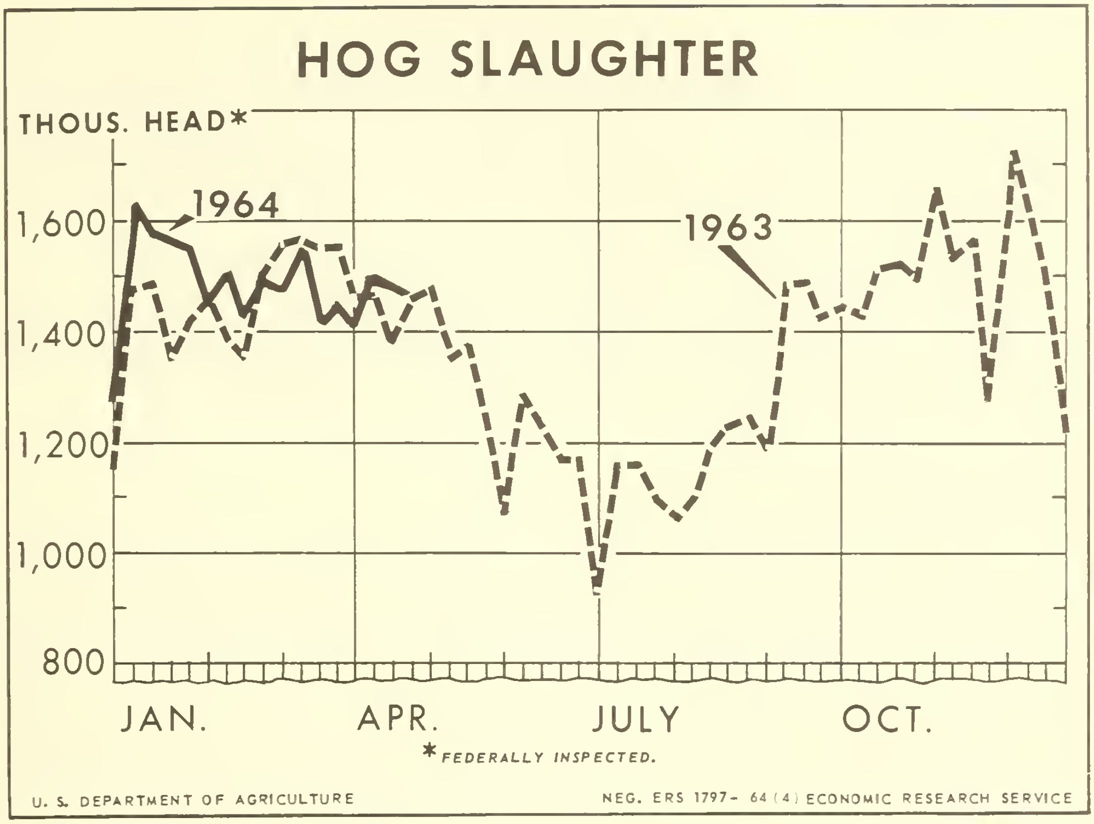
HOGS

Hog production is being cut back after 2 years of expansion. Hog slaughter rose about 2 percent in 1962 and then almost another 5 percent last year. However, a 3 to 4 percent decline from 1963 is in prospect this year. Prices of live hogs the past 2 years decreased as production rose: From $17.16 in 1961 to $16.82 in 1962 and $15.38 in 1963 (barrows and gilts at 8 major markets). But the production decline will raise the average price a little this year compared with 1963, especially during the second half of 1964.

Hog farmers have cut back on production because of low 1963 hog prices in relation to the cost of producing hogs. The hog-corn price ratio averaged 13.6 in 1963. This compares with 16.6 in 1961 and 16.4 in 1962. However, hog prices this year will be a little more favorable, relative to production costs, than a year earlier. When this has happened in the past, farmers have expanded output. Therefore, more sows probably will farrow next year than in 1964, but any increase in sows farrowing will not influence slaughter supplies until the second half of 1965.

First Quarter Slaughter Up, Prices Steady

Commerical hog slaughter in January-March was up 3 percent in numbers from a year earlier. The average live weight per head slaughtered in commercially operated plants was 2 pounds above the first quarter 1963 average of



236 pounds. The weight increase results from rapid gains last winter, which was rather mild in the Corn Belt. Thus, with the increased number and heavier average weights, pork production was up about 5 percent in the first quarter.

All the first quarter increase in slaughter came in January and February. In March, hog slaughter dropped 2 percent below the same month a year earlier. This was expected, since the June-November 1963 pig crop, which supplies the bulk of the slaughter hogs in the first half of the year, was down 4 percent, and all of the reduction came in August-November.

Hog prices were stable the first 4 months of 1964. They fell off during these months last year. Barrows and gilts at 8 major markets in 1963 declined, on the average, from $15.65 in January to a low of $13.78 in April. However, when hog slaughter began declining seasonally, prices rose rapidly to a summer peak of $18.44 in July. This year, barrows and gilts averaged $14.70 in both January and February, $14.48 in March, and $14.20 (4-week average) in April. Thus, hog prices averaged 95 cents below a year ago in January, but about 40 cents above in April.

Hog Slaughter Down For Rest of 1964

The supply of slaughter hogs will average below a year earlier the rest of 1964 because producers last fall reduced farrowings. As previously mentioned, the June-November 1963 pig crop was down 4 percent from a year earlier and all the reduction came in August-November. Therefore, hog slaughter in April-June probably will average 4 to 6 percent lower than in the second quarter of 1963.

The December-February pig crop in 10 major producing States was down 5 percent from a year earlier; March-May farrowings will also be down, probably about 7 percent. Pigs born in December-May make up the main supply of slaughter hogs for the second half of the year. Thus, second half slaughter this year probably will average 5 percent or more below a year earlier.

Early 1965 Slaughter Also May Be Down

Producers in 10 Corn Belt States reported intentions as of March 1 to have 13 percent fewer sows farrow in June-August this year than a year earlier. If these plans are carried out, a sharp cutback in hog slaughter will result early next year. However, some changes could be made in these plans since the gestation period for hogs is 4 months and the outlook for hog prices has improved somewhat this spring. The improved price outlook resulting from the 4 percent smaller June-November 1963 pig crop may tend to be an offsetting influence to the low hog-corn price ratio during the first quarter. To alter the number of sows farrowing in June-August, producers will have had to change their plans by the end of April. But even if they do alter their plans a little, slaughter in the first few months of 1965 likely will still be down considerably from the heavy slaughter rates in the opening months of this year.

A change in sow slaughter usually signals a change in production. In the second half of 1963 when farmers were cutting back production, the number of sows slaughtered increased about 9 percent over a year earlier. There were 265,000 more sows slaughtered under Federal inspection during July-December last year than in the second half of 1962. These additional sows added to the already large supply of barrows and gilts going to slaughter last fall. Sow slaughter the first quarter this year averaged 11 percent above a year earlier. If slaughter rates for sows relative to numbers farrowing decreased later on this year, as now seems likely, it will mean that producers are holding back sows for further breeding and that an expansion in production is probably underway.

Hog Prices Up In Remainder of 1964

Hog prices averaged $14.63 in the first quarter, 32 cents below the same months in 1963 (barrows and gilts at 8 markets). However, prices likely will average higher than a year earlier for the rest of 1964 because of the declining slaughter volume. Barrows and gilts at 8 markets in the second quarter probably will average a little higher than the $15.30 average a year earlier.

Table 3.--Selected prices per 100 pounds of livestock by months, 1963-64

Month	Barrows and gilts at 8 markets 1/		Sows at 8 markets 1/		Choice lambs at Denver		Good ewes at Denver	
	1963	1964	1963	1964	1963	1964	1963	1964
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
January	15.65	14.70	13.37	12.02	19.79	19.12	8.08	7.78
February	15.14	14.70	13.32	12.51	19.00	20.17	7.76	8.12
March	14.07	14.48	12.41	12.63	19.07	21.39	8.33	8.66
April	13.78	2/14.20	11.97	2/12.40	19.48	2/22.35	8.68	2/7.18
May	15.01		12.77		22.29		5.96	
June	17.01		13.87		22.32		6.92	
July	18.44		14.98		20.72		5.77	
August	17.55		15.07		20.44		5.88	
September	15.89		14.22		19.48		5.64	
October	15.47		13.82		19.15		5.70	
November	14.47		12.57		19.33		6.76	
December	14.21		11.28		18.85		7.65	
Average	15.38		13.43		19.99		6.93	

1/ Average for all weights at Midwest markets. 2/ 4-week average.

Compiled from Market News, Livestock Division, AMS.

The outlook for the third and fourth quarters is for prices to average above a year earlier, with the largest gain over a year earlier in the fourth quarter. Also, the peak price probably will come later than it did last year; once the peak is passed, a more gradual slide is in prospect when the hog supply begins increasing seasonally. Last year, hog prices rose to a sharp peak of $18.44 in July only to fall off just as fast in subsequent months. They averaged $17.29 and $14.72 in the third and fourth quarters of 1963.

Tending to dampen the effect of the pork cutback is the continued large supply of beef this spring and summer. Both pork and beef were in abundance all last year. This situation led to the highest level of red meat consumption on record. Per capita consumption of red meats rose to about 170 pounds per person in 1963, more than 6 pounds above a year earlier.

Cold Storage Stocks of Pork Large

Cold storage stocks of pork are built up in the first half of the year when the supply of hogs is seasonally large. Then stocks decline as pork is moved out of storage in the summer when slaughter is low. Stocks of pork were large last year and have continued large in 1964. On April 1, there

were 398 million pounds of pork in cold storage--65 million pounds above a year earlier and 121 million above January 1, 1964.

The cold storage buildup in the first quarter lessened the amount of pork offered for consumption in these months and, therefore, helped to support hog prices. But as this pork is brought out of cold storage in comming months, it will add to the available supply of pork for consumption. This will tend to dampen somewhat the effect of the cutback in pork production at least until stocks are worked down to a more normal level this summer.

SHEEP AND LAMBS

Sheep and lamb slaughter in January-March 1964 was down 5 percent from a year earlier. January slaughter was down less than 2 percent, February slaughter was down about 7 percent, and March slaughter was down almost 7 percent. Weekly slaughter under Federal inspection in April through the middle of the month averaged about 10 percent below a year earlier.

The number of sheep and lambs slaughtered so far in 1964 in relation to January 1 inventories was almost the same as in this period last year. It is probable, therefore, that the total inventory of sheep and lambs has been reduced so far in 1964 at about the same rate as in early 1963.

Sheep and Lamb Prices

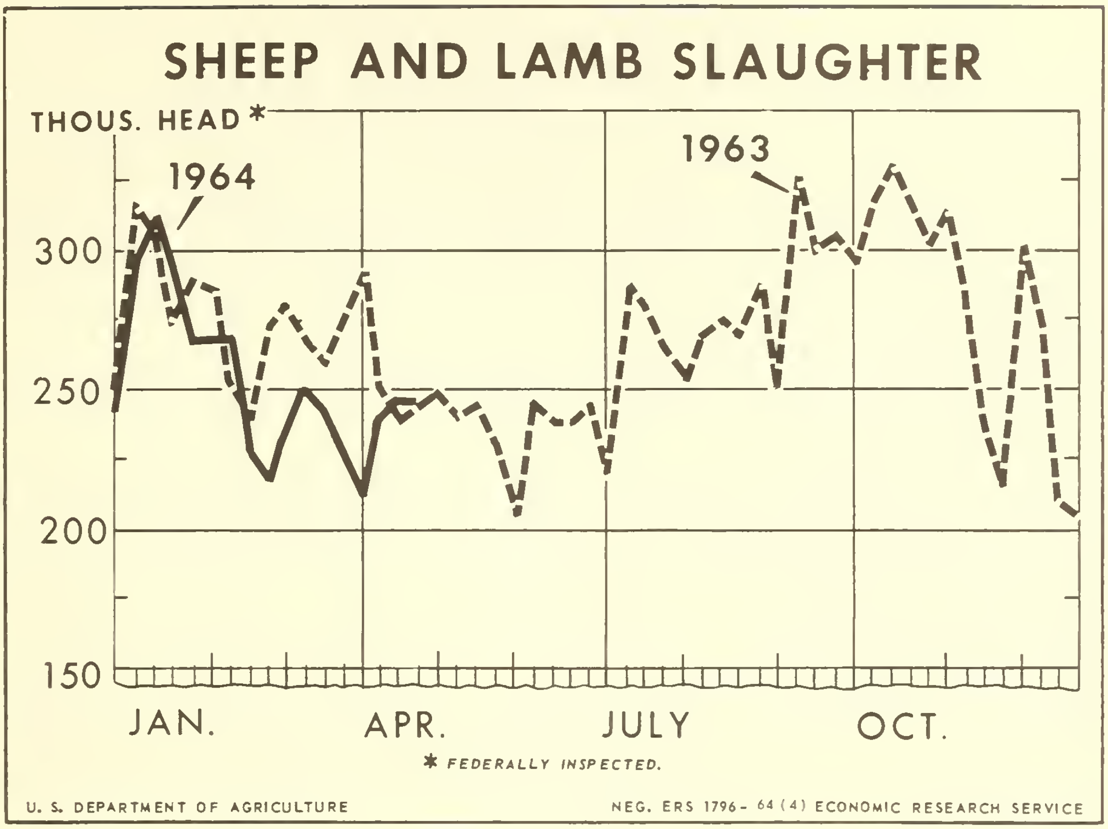
Slaughter lamb prices since mid-February have been generally higher than a year earlier. At Denver, Choice slaughter lambs, averaging $22.65 in the week ended April 18, were bringing about $2.37 per 100 pounds more than a year earlier. Feeder lamb prices also are up. Prices received by farmers for lambs in February and March were higher than in any corresponding month since 1960. Sheep prices, however, were somewhat lower than a year earlier.

Slaughter lamb prices usually decline seasonally after the spring months. Although prices during the summer this year will likely be below current levels, they probably will be somewhat higher than a year earlier because of smaller supplies of slaughter lambs. Supplies of competing meats this summer will total about the same, with beef up and pork down.

Early Lamb Crop Down

There were fewer lambs born prior to March 1 this year than were born last year. Breeding ewes in the States supplying most of the early crop were down 5 percent.

Early lambs in 3 leading States (Texas, California, Kansas) totaled 1,988,000 head, 7 percent fewer than in 1963. The decline was the result of both a smaller number of ewes and a lower lambing percentage.



<u>Sheep and Lamb Condition Same As Last Month and Year Ago</u>

April 1 condition of sheep and lambs in the 17 Western States was rated at 81, the same as a month earlier and a year earlier, but 2 points below the 5-year average. Supplemental feeding was general during March and contributed to the good condition.

<u>Lamb Feeding Profits</u>

Profits from lamb feeding operations last winter apparently were larger than in the past several years. A wider difference than in other years between feeder lamb prices last fall and slaughter lamb prices early this year accounted for the larger profits.

A standard lamb feeding program is shown in table 4. For Good and Choice feeder lambs purchased in Denver between September and December last year and sold as Choice at Chicago between December and March, the margin of value over the principal costs shown was $3.76 per 100 pounds. The margin a year earlier was $2.35. These margins do not take into account costs of purchasing or marketing, labor and overhead, costs of feeds other than those shown, or credits for manure. Feed costs in the current year were higher than in other years shown in the table. Feeder lamb costs were lower only in 1960 and 1961, and slaughter prices were the highest for any of the 6 years.

Table 4.--Average price and value of important items affecting returns from lamb feeding, 1958-63

Item	Feeding year beginning December					
	1958	1959	1960	1961	1962	1963
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
Prices						
Choice slaughter lambs, Chicago, December-March, per 100 pounds	19.80	20.28	17.40	17.42	19.02	20.73
Good and Choice feeder lambs, Denver, September-December, per 100 pounds	1/22.06	1/18.45	1/16.50	1/15.33	1/17.35	1/16.78
Corn, North Central States October-March, per bushel	.968	.952	.917	.930	.983	1.05
Alfalfa hay, received by farmers, North Central States, October-March, per ton	16.55	19.20	18.27	19.78	19.05	21.68
Receipts, per head						
Sales of Choice lambs, 85 pounds	16.83	17.24	14.79	14.81	16.17	17.62
Wool payments	.87	.64	.68	.65	.48	.46
Total	17.70	17.88	15.47	15.46	16.65	18.08
Cost, per head						
Feeder lamb, 60 pounds	13.24	11.07	9.90	9.20	10.41	10.07
Corn, $2\frac{1}{2}$ bushels	2.42	2.38	2.29	2.32	2.46	2.62
Alfalfa hay, 150 pounds	1.24	1.44	1.37	1.48	1.43	1.63
Total for items shown 2/	16.90	14.89	13.56	13.00	14.30	14.32
Margin, value over costs shown 2/	.80	2.99	1.91	2.46	2.35	3.76

1/ The simple average of Good and Choice price for 1958, 1962, and 1963. Other years quoted as Good and Choice combined.

2/ Does not include purchasing or marketing expenses, labor cost, death losses, overhead costs, or costs of other feed ingredients, or credits for manure. The prices shown are averages for the lamb feeding season for the North Central region, and do not necessarily coincide with the experience of individual feeders.

Wool

U. S. production of shorn and pulled wool in 1963 amounted to 267 million pounds, grease basis. This was 4 percent below production in 1962. Shorn wool production, accounting for 238 million pounds, was down 4 percent from 1962. Pulled wool production, 28.8 million pounds, also was down 4 percent.

Wool production was down from 1962, and production in 1964 is expected to decline further because of decreasing inventories of sheep and lamb.

Prices received by farmers for wool sold during the 1963 marketing year (April-December 1963) averaged 48.5 cents per pound. This was up 2 percent from the previous year and was the highest average price since 1957.

Mohair

Mohair output in the 7 producing States in 1963 amounted to 29 million pounds, up 7 percent from 1962. Texas again accounted for 97 percent of production.

Value of mohair produced in 1963 amounted to $25.6 million, 32 percent more than in 1962. Higher prices as well as larger production contributed to the increase in value. Prices received by farmers for mohair sold during the 1963 marketing year (April-December 1963) averaged 88.1 cents per pound. This was an increase of almost a fourth from a year earlier.

* * * * *

USDA Meat and Lard Purchases

To help relieve the downward pressure on cattle prices, resulting from heavy marketings, the Department of Agriculture on March 1 announced beef purchase programs. Through May 1, 26.1 million pounds of frozen USDA Choice roasts and ground beef had been purchased at a cost of $14.7 million; 24.6 million pounds of canned beef in natural juices at a cost of $12.8 million. The frozen beef is for distribution to schools and institutions, and the canned beef is for use in the needy family program.

Purchases of canned chopped meat consisting primarily of pork for needy families were discontinued on March 4 when the program was shifted to the procurement of canned beef. From the beginning of the chopped meat program on September 16 to its termination, total purchases amounted to 104.5 million pounds at a cost of $37.1 million.

USDA discontinued purchases of lard for schools, institutions and the needy on April 8. A total of $13.4 million was spent for 110.0 million pounds under the program which began September 16.

Funds for the purchase programs are provided under Sec. 32, Public Law 320. All products purchased are prepared from animals slaughtered and processed within the United States.

U. S. FOREIGN TRADE IN LIVESTOCK AND LIVESTOCK PRODUCTS

By

George R. Rockwell, Jr.
Economic and Statistical Analysis Division, ERS

There is currently an active interest in U. S. trade with other countries in meat and other livestock products. This has developed mainly because of concern over the recent fast rise--until this year--in beef imports into the United States. Increased imports of lamb and mutton have also contributed to this concern. Meanwhile, U. S. exports of meat and other livestock products have also been increasing and the outlook for the future is encouraging.

The purpose of this article is to summarize some of these developments and to show their importance in relation to U. S. production of livestock and livestock products. It offers a brief picture of the nature and extent of our livestock and livestock products trade with other countries.

The value of U. S. foreign trade in livestock and livestock products

Exports

In 1963, U. S. exports of animals and animal products were valued at $676 million. The value of inedible tallows and greases was the largest class of meat animal products exports, followed by hides and skins, meats other than poultry and variety meats, lard, and variety meats. (table A).

In all recent years, inedible tallow and greases, and hides and skins have ranked in that order in value of U. S. meat animal product sales abroad. The value of lard exports in 1963 was larger than in 1961 and 1962 but was down from earlier years, due more to a decline in price than to a decrease in volume of exports.

Imports

The United States is a net importer of livestock products. The value of such imports in 1963 was $893 million. Meat was the largest import item. Most of this was red meat; imports of poultry meat were valued at less than $0.5 million. (table B).

Unmanufactured wool was next in value of imports, and live animals were third. Although the United States is a net exporter of hides and skins, the value of imports of these products ranked fourth.

Table A.--U. S. agricultural exports: Animals and products, and total, 1958-63

	1958	1959	1960	1961	1962	1963 1/
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
Meats and products, other than variety and poultry meats	50,561	50,735	51,396	54,078	51,213	67,843
Variety meats	15,790	19,401	24,668	27,075	25,314	31,681
Hides and skins	55,759	62,808	76,400	86,153	82,900	74,577
Lard	52,296	60,210	60,618	46,687	40,635	48,531
Inedible tallow and greases	97,379	113,124	112,870	132,706	105,142	122,282
Animals, live	17,323	26,748	24,693	24,474	21,380	28,128
Dairy products	188,312	133,268	117,114	134,283	130,716	181,165
Poultry meat	17,011	35,869	49,656	67,270	75,785	56,850
Total animals and products 2/	549,872	569,829	575,768	633,853	590,110	676,383
	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars
Total agricultural exports	3,855	3,955	4,832	5,024	5,034	5,584

1/ Preliminary.
2/ Includes "food exported for relief or charity."

Table B.--U. S. agricultural imports for consumption: Animals and products, and total, 1958-63

	1958	1959	1960	1961	1962	1963 1/
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
Meats 2/	320,189	382,863	311,073	371,697	445,740	502,812
Hides and skins	51,767	84,427	67,606	61,266	62,641	58,861
Animals, live	146,653	97,857	76,072	105,422	122,036	81,310
Dairy products	45,440	49,477	49,896	54,335	54,166	55,289
Wool, unmanufactured, excluding free	84,431	101,033	84,965	89,961	120,003	111,322
Total animals and products	700,277	764,344	644,183	736,736	883,948	893,361
	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars
Total agricultural imports	3,881	4,099	3,824	3,691	3,868	4,012

1/ Preliminary.
2/ Excludes sausage casings and meat extracts.

Foreign Trade in Meat 1/

Most of the high quality meat produced in the United States is consumed domestically and only small amounts are exported. The difference in income between the United States and other countries is one of the reasons. In countries where meat consumption is smaller on a per capita basis, or of lower average quality, incomes generally are not high enough to enable consumers to pay the prices which would be necessary to bid high quality meat away from U. S. consumers. In some other countries where incomes are high and per capita consumption of high quality meat is large, such as Canada, domestic production is large enough to hold prices at levels which generally do not encourage imports from the United States. Occasionally, prices in these countries rise in relation to U. S. prices, because of comparative shortages of domestic supplies. This situation then provides a favorable market for U. S. meat. Such shortages of domestic supplies in other countries sometimes are the result of unfavorable weather conditions that have affected supplies and prices of grain and other feeds or in other ways affected livestock production. They develop also because producers sometimes underestimate future market conditions. Output then fails to keep pace with demand and prices rise. However, these situations are temporary because high prices encourage livestock producers in those countries to increase their output.

Domestic production provides most of the high quality meat consumed in the United States. An exception is canned hams and pork shoulders. These imported products are regarded as specialty items and usually sell at higher prices than U. S. canned hams and shoulders. Denmark, the Netherlands, and Poland are the principal suppliers of these imported products.

In addition, the United States imports substantial quantities of lower priced meats used chiefly in making hamburger and processed products such as frankfurters and luncheon meats. Boneless beef, veal, and mutton are imported for these purposes. These three products together in 1963 accounted for about three-fourths of U. S. total red meat imports, on a carcass weight equivalent basis.

The United States also imports large quantities of canned beef. Most of this is canned corned beef, a product that is not ordinarily produced in volume in this country. Almost all canned beef imports come from Argentina, Uruguay, Brazil, and Paraguay. In 1963 canned beef accounted for about 13 percent of total beef imports, on a carcass weight equivalent basis. This volume of canned beef imports was equal to about 1.3 percent of total U. S. beef production.

In 1963, U. S. total imports of red meat amounted to about 2 billion pounds, a record. U. S. exports of red meat were 176 million pounds, the largest amount since 1956.

Beef accounted for about 81 percent of red meat imports, carcass weight equivalent, in 1963. Pork accounted for about 11 percent, mutton for 6 percent, and lamb and veal each accounted for about 1 percent.

1/ This article was developed from information supplied by the Foreign Agricultural Service, USDA.

Table C.--U. S. exports of livestock products, 1958-63

Commodity	1958	1959	1960	1961	1962	1963 1/
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Meat (carcass weight equivalent)						
Beef						
Fresh or frozen	6.1	7.7	9.2	9.6	8.9	7.9
Canned	1.7	2.8	2.1	1.7	2.2	2.1
Pickled or cured	19.2	19.0	20.2	20.8	17.8	19.4
Other	4.3	3.7	3.2	2.7	2.1	2.2
Total	31.3	33.1	34.6	34.8	30.9	31.6
Veal						
Fresh or frozen	0.7	0.9	1.0	1.1	1.0	0.9
Total (includes canned)	1.3	1.3	1.2	1.2	1.1	1.0
Pork						
Fresh or frozen	7.3	13.2	22.5	38.1	35.4	105.7
Hams and shoulders, not cooked	19.9	21.4	14.3	7.6	6.0	7.4
Hams and shoulders, canned	1.3	1.0	1.0	0.8	0.5	1.1
Other canned	4.5	5.2	4.6	1.7	1.3	1.7
Other	28.8	38.3	33.4	24.0	23.6	26.0
Total	61.8	79.1	75.9	72.3	66.9	141.9
Lamb and mutton	2.4	2.2	2.0	2.0	2.6	1.5
Total red meat	96.8	115.7	113.7	110.2	101.5	176.0
Variety Meats (product weight)	69.4	91.0	118.2	123.5	124.5	157.9
Animal Fats						
Lard	388.8	604.2	620.0	416.6	422.1	537.7
Inedible tallow and greases 2/	1,112.1	1,457.3	1,695.8	1,804.4	1,595.2	1,871.7
Edible tallow and greases 3/	5.1	12.9	11.8	3.4	5.6	4.4
Mohair						
(Clean content)	13.2	18.6	13.5	13.5	12.5	14.2
	1,000 pieces	1,000 pieces	1,000 pieces	1,000 pieces	1,000 pieces	1,000 pieces
Hides and Skins						
Cattle	5,398	4,084	6,888	7,646	7,119	7,971
Calf	2,354	1,426	1,647	1,992	1,712	1,604
Kip	715	483	482	520	343	253
Sheep and lamb	1,365	1,927	2,357	2,416	2,179	2,881
	No.	No.	No.	No.	No.	No.
Cattle for Breeding	25,582	50,729	32,190	24,012	18,039	23,155
Hogs	907	12,722	6,616	8,215	3,330	3,899
Sheep and Lambs 4/	17,487	21,912	36,439	27,848	37,336	31,493

1/ Preliminary.
2/ Includes inedible animal oils, greases, fats, and tallow.
3/ Includes oleo oil and oleo stearin, oleo stock, and edible tallow.
4/ Sheep only beginning September 1963.

Table D.--U. S. imports of livestock products, 1958-63

Item	1958	1959	1960	1961	1962	1963 1/
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Meat (carcass weight equivalent)						
Beef						
Boneless, fresh or frozen	414.5	680.3	556.8	764.9	1,182.9	1,363.5
Bone-in, fresh or frozen	58.9	39.1	14.7	25.1	18.8	19.9
Total fresh or frozen	473.4	719.5	571.4	790.0	1,201.6	1,383.4
Canned	224.6	187.4	151.5	188.6	165.7	221.2
Pickled or cured	7.2	8.4	1.1	1.1	.6	.7
Other	190.3	131.8	36.1	41.0	46.3	47.2
Total	895.5	1,047.1	760.2	1,020.6	1,414.3	1,652.5
Veal						
Fresh or frozen	13.5	16.1	15.3	16.5	25.5	26.4
Pork						
Fresh or frozen	51.1	48.4	38.4	36.6	40.5	37.0
Hams and shoulders, not cooked	2.7	5.6	6.2	5.9	6.3	7.4
Hams and shoulders, canned	128.2	122.5	133.3	135.6	154.9	165.2
Other	11.1	9.5	7.8	9.1	14.2	16.4
Total	193.1	186.0	185.6	187.2	215.9	226.1
Lamb	6.8	9.5	12.4	10.9	13.2	18.9
Mutton	34.3	94.7	74.6	89.8	130.0	125.7
Total red meat	1,143.3	1,353.3	1,048.1	1,325.1	1,798.8	2,049.7
Variety Meats (product weight)	2.1	2.3	1.8	2.0	3.1	3.5
Wool (clean basis)						
Dutiable	67.1	100.5	74.3	90.3	125.8	109.2
Duty-free	122.6	191.6	153.9	157.3	143.5	168.0
Total wool	189.7	292.2	228.2	247.7	269.2	277.2
	1,000 pieces	1,000 pieces	1,000 pieces	1,000 pieces	1,000 pieces	1,000 pieces
Hides and Skins						
Cattle	417	1,025	332	294	413	361
Calf	555	1,104	860	764	669	875
Kip	353	462	503	661	778	1,037
Sheep and lamb	26,582	34,273	27,702	27,903	27,482	26,310
	No.	No.	No.	No.	No.	No.
Cattle 2/	1,126,213	688,056	644,550	1,022,799	1,232,256	833,716
Hogs 2/, 3/	9,094	2,367	6,162	3,151	3,277	4,323
Sheep and Lambs 2/	39,769	75,521	49,767	979	20,845	3,091

1/ Preliminary.
2/ Dutiable; not for breeding.
3/ Imports reported in pounds; pounds converted to 200-pound hog equivalent.

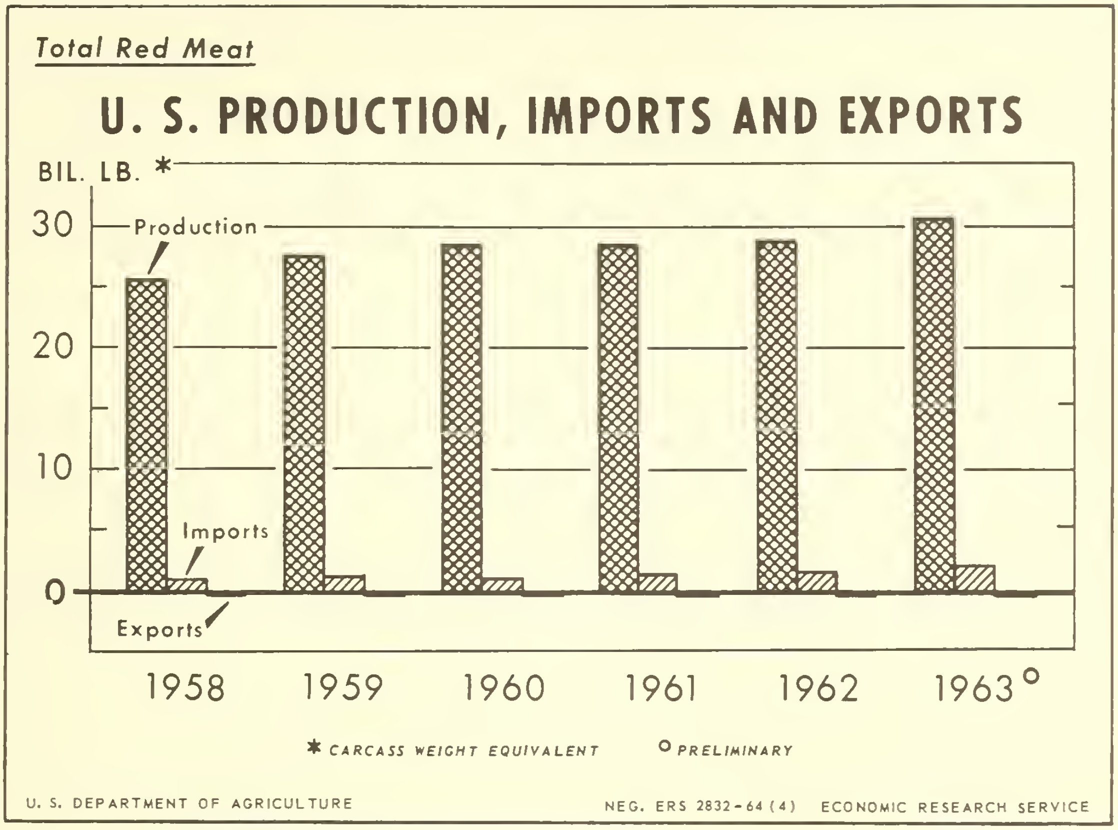


Table E .--Total red meat: U. S. imports, exports, and net imports in relation to domestic production, 1958-63 1/

Year	Production	Imports	Exports	Net imports	Percentage of U. S. production: Imports	Exports	Net imports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Pct.	Pct.	Pct.
1958	25,658	1,143.3	96.8	1,046.5	4.5	0.4	4.1
1959	27,319	1,353.3	115.7	1,237.6	5.0	0.4	4.5
1960	28,208	1,048.1	113.7	934.4	3.7	0.4	3.3
1961	28,585	1,325.1	110.2	1,214.9	4.6	0.4	4.2
1962	28,961	1,798.8	101.5	1,697.3	6.2	0.6	5.9
1963 2/	30,559	2,049.7	176.0	1,873.7	6.7	0.7	6.1

1/ Carcass weight equivalent.
2/ Preliminary.

Pork was the largest meat export item in 1963, amounting to 142 million pounds. This was 81 percent of total red meat exports. From 1958 through 1962, pork exports accounted for about two-thirds of U. S. red meat exports. In 1963 the market for U. S. pork was unusually good in Canada, Western Europe, and Japan. In fact, almost all of the increase in U. S. red meat exports in 1963 over 1962 was due to larger sales of pork.

Beef exports made up 18 percent of U. S. red meat exports, lamb and mutton exports together accounted for about 1.4 percent, and veal exports for about 0.6 percent.

Beef

The largest meat import item in 1963 was fresh or frozen boneless beef. Boneless beef imports amounted to 82 percent of total beef imports, carcass weight equivalent, and accounted for about two-thirds of total red meat imports. Boneless beef has accounted for most of the growth in meat imports since 1958.

The recent agreements with Australia, New Zealand, and Ireland to limit meat shipments to the United States will affect boneless beef imports more than any other meat item. These countries supply most of the U. S. imports of this product. In 1963, they accounted for 85 percent of U. S. boneless beef imports. Mexico supplied 7 percent, and 8 percent came from other countries. This product is somewhat similar to domestic cow beef. Leanness is one of its characteristics and large quantities are used interchangeably with domestic cow beef for hamburger and in making meat products such as frankfurters and luncheon meats. Frozen veal also is imported for this purpose, but veal imports are small by comparison. In 1963 the carcass weight equivalent of fresh or frozen veal imports was 26.4 million pounds, compared with 1,363.5 million pounds of boneless beef imports. Fresh or bone-in beef imports also are small. They amounted to 19.9 million pounds in 1963.

Canned beef, 13 percent of total beef imports in 1963 (carcass weight equivalent basis), is the only other important beef import item.

Total beef imports in 1963, carcass weight equivalent, were equal to about 10 percent of U. S. domestic production. Exports amounted to about 0.2 percent of domestic production. When beef and veal are considered together, net imports in 1963 amounted to about 9.5 percent of U. S. beef and veal production.

The United States in recent years has been a net exporter of pickled and cured beef. This product usually accounts for about three-fifths of U. S. beef exports. Canada takes about three-fourths of the total and the rest goes to the Caribbean area and some other countries.

Pork

Fresh or frozen pork is the largest pork item in U. S. export trade. Since 1960, fresh or frozen pork accounted for more than half of the carcass weight equivalent of total pork exports. In 1963, fresh or frozen pork was

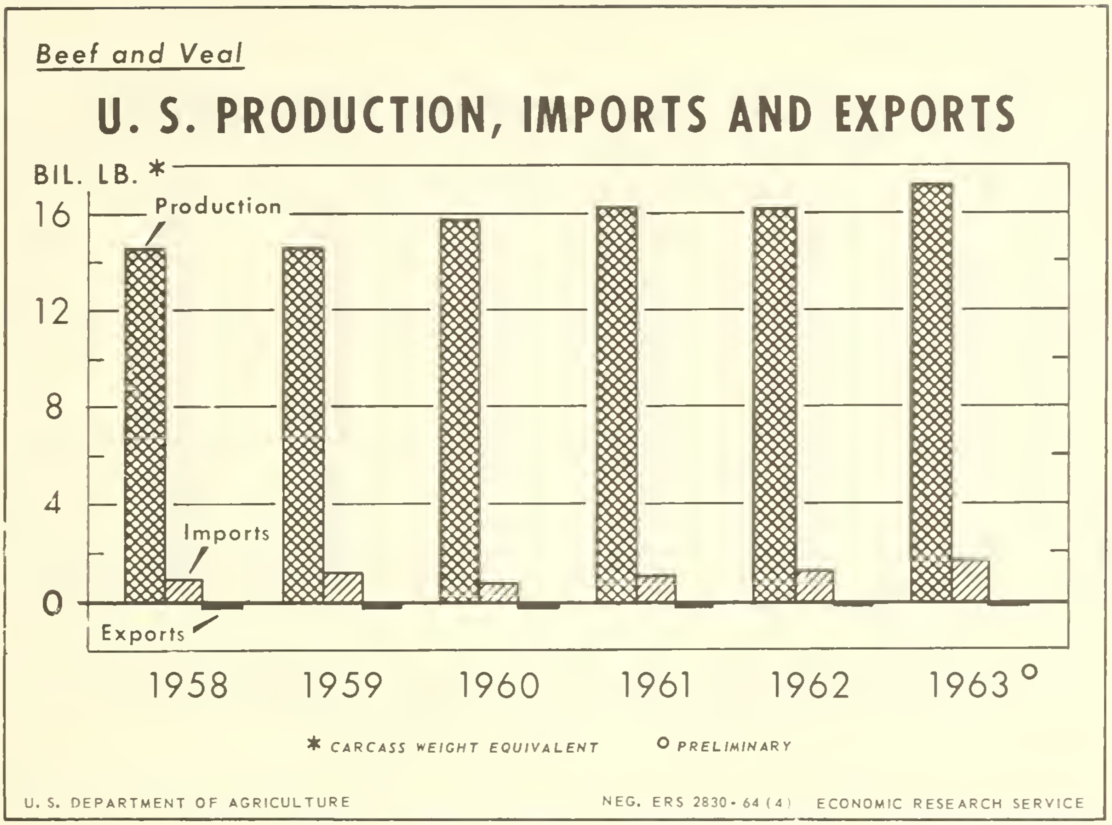


Table F.--Beef and veal: U. S. imports, exports, and net imports in relation to domestic production, 1958-63 1/

Year	Production	Imports	Exports	Net imports	Percentage of U. S. production: Imports	Exports	Net imports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Pct.	Pct.	Pct.
1958	14,516	909.0	32.6	876.5	6.3	0.2	6.0
1959	14,588	1,063.2	34.4	1,028.8	7.3	0.2	7.1
1960	15,835	775.5	35.8	739.7	4.9	0.2	4.7
1961	16,342	1,037.1	36.0	1,001.2	6.3	0.2	6.1
1962	16,311	1,440.0	32.1	1,407.9	8.8	0.2	8.6
1963 2/	17,350	1,679.0	32.6	1,646.3	9.7	0.2	9.5

1/ Carcass weight equivalent.
2/ Preliminary.

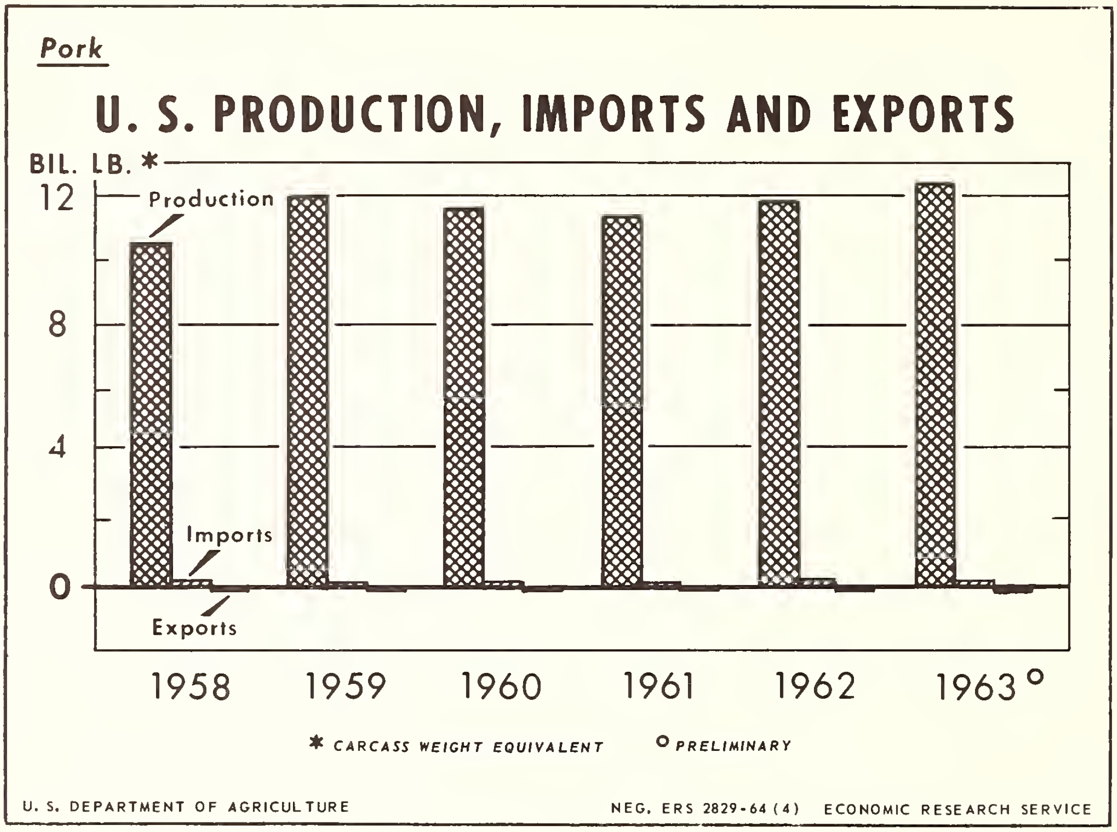


Table G.--Pork, excluding lard: U. S. imports, exports, and net imports in relation to domestic production, 1958-63 1/

Year	Production	Imports	Exports	Net imports	Percentage of U. S. production: Imports	Exports	Net imports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Pct.	Pct.	Pct.
1958	10,454	193.1	61.8	131.3	1.8	0.6	1.3
1959	11,993	186.0	79.1	106.9	1.6	0.7	0.9
1960	11,605	185.6	75.9	109.7	1.6	0.7	0.9
1961	11,411	187.2	72.3	114.9	1.6	0.6	1.0
1962	11,841	215.9	66.9	149.0	1.8	0.6	1.3
1963 2/	12,439	226.1	141.9	84.2	1.8	1.1	0.7

1/ Carcass weight equivalent.
2/ Preliminary.

about three-fourths of the total. The rest of U. S. pork exports consists of a variety of small volume items, including hams and shoulders--both not cooked and canned--and other canned pork products.

Between 1958 and 1963, canned hams and shoulders accounted for about two-thirds to almost three-fourths of total U. S. pork imports, on a carcass weight equivalent basis. Fresh or frozen pork accounted for between a sixth and a little more than a quarter of the total in these years.

Total U. S. pork imports on a carcass weight equivalent basis are larger than exports. Since 1958, imports ranged from 1.6 percent to 1.8 percent of domestic production, and exports from 0.6 to 0.7 percent, except in 1963 when exports equaled 1.1 percent of production. Therefore, annual net imports of pork since 1958 ranged from 0.7 percent to 1.3 percent of domestic production.

Record exports of pork and pork products were the most notable development in U. S. exports of meat and livestock products in 1963. The carcass equivalent of pork exports was 129.3 million pounds, almost double 1962 exports. The largest increase from 1962 was in fresh and frozen pork, the largest pork export item, but other major export items such as hams and shoulders not cooked, canned hams and shoulders, and other canned pork also showed increases.

This large increase in U. S. pork exports was due chiefly to short supplies in Canada. However, there was a substantial increase in Japanese demand and some pork was shipped to Western Europe late in the year.

Domestic pork supplies in Japan were large in 1962 and the livestock Promotion and Stabilization Corporation, a semigovernmental Japanese agency, purchased almost 10 million pounds of Japanese boneless pork during the year to support prices. Then domestic production declined and by early 1963 the Corporation had sold most of its stocks. By midyear it was apparent that domestic production in 1963 would not be large enough to meet the requirements of a growing demand, except at sharply higher prices. Prices continued to rise and by late summer the Japanese Ministry of Agriculture announced preparations for emergency imports of pork from Taiwan, South Korea, and the United States. U. S. meat exports to Japan totaled 17.4 million pounds in 1963, compared with 115,000 pounds in 1962 and 800,000 in 1961. Most of the increase in 1963 was in fresh or frozen pork. Exports of beef and veal, variety meats, and canned baby food also were up.

Pork production in Canada in 1963 was low because of the 1961 drought. Prices were high in relation to U. S. prices and U. S. exports to Canada rose appreciably to a total of 84.5 million pounds, product weight, up 250 percent from 1962.

Exports of pork to Canada are not likely to be as large in 1964 because of somewhat higher U. S. prices and lower Canadian prices. A larger supply of feed grains in Canada this year with not much change in price from 1963 has contributed to farmers' intentions to increase farrowings. The Canadian

Department of Agriculture has forecast 1964 marketings in the first quarter up 12 percent from a year earlier, up 9 percent in the second quarter, and up 6 percent during the remainder of the year.

Pork production in the European Economic Community countries (EEC) in 1963 was low, partly because severe winter weather in 1962 had caused serious hog death losses. Shortages were particularly acute in Belgium and France. Of the important hog producing countries in Europe, only Denmark showed an increase from 1962 in hog numbers and pork production. Consumer demand also was unusually strong. Short domestic supplies throughout the EEC and the higher prices which followed made these markets more willing to take imports from other countries than in 1962. Hogs and hog carcasses became subject to the variable import levy system in the EEC on July 30, 1962. This had the effect of raising prices of U. S. pork in EEC countries and discouraging imports from the United States. It turned out, however, that the European pork shortages were so severe that several measures were required to check excessive price rises. Belgium, for instance, forbade pork exports and extended premiums to pork importers. These conditions led to a general reduction on January 1, 1964, of import levies by all EEC countries on pork and hogs from non-EEC countries. To some extent, this offset the effects of the variable import levy system instituted in 1962. The recent tariff reductions have increased potential U. S. exports to some countries in the EEC, notably France. German levies are considerably higher than those in France because of higher German pork prices, and carcass pork imports from the United States are not permitted by Germany's dollar import program.

Higher import duties on pork cuts, pork variety meats, and lard from non-EEC countries were put into effect in all EEC countries on September 2, 1963. This is not expected to affect U. S. exports of variety meats very much in the immediate future because U. S. prices are competitive and levies on trade among EEC members were raised at the same time. U. S. exports in future years, however, will be affected more adversely as levies on trade among EEC members are reduced and eventually eliminated. The new regulations have placed U. S. lard exports at a disadvantage compared with exports from other suppliers. It is expected that U. S. lard exports to EEC countries, especially to Germany which has been by far the largest EEC market, will be greatly reduced as a result.

Lamb and Mutton

U. S. exports of lamb and mutton are very small, amounting to 1.5-2.6 million pounds annually since 1958. Both lamb imports and mutton imports, on the other hand, have been several times larger than total U. S. lamb and mutton exports in recent years.

Mutton imports are several times as large as lamb imports. Since 1958, mutton imports ranged from 34.3 million pounds to 130.0 million while lamb imports ranged from 6.8 million to 18.9 million.

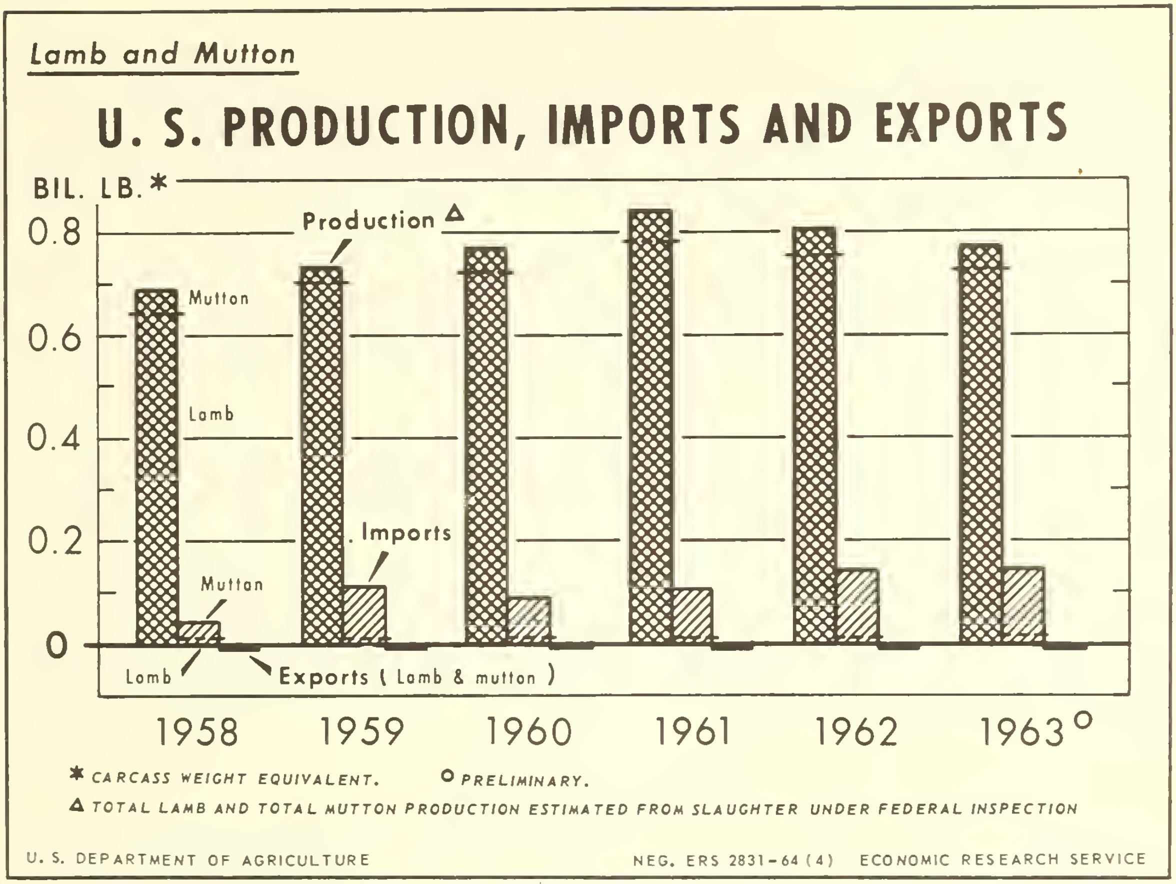


Table H.--Lamb and mutton: U. S. imports, exports, and net imports in relation to domestic production, 1958-63 1/

Year	Lamb			Mutton		
	Production 2/	Imports: Quantity	Imports: Percentage of production	Production 2/	Imports: Quantity	Imports: Percentage of production
	Mil. lb.	Mil. lb.	Pct.	Mil. lb.	Mil. lb.	Pct.
1958	648.1	6.8	1.0	39.9	34.3	86.0
1959	701.8	9.5	1.3	36.2	94.7	261.6
1960	720.4	12.4	1.7	47.6	74.6	156.7
1961	783.7	10.9	1.4	48.3	89.8	185.7
1962	758.0	13.2	1.7	51.0	130.0	254.9
1963 3/	726.9	18.9	2.6	43.1	125.7	291.6

Year	Lamb and mutton combined						
	Production	Imports: Quantity	Imports: Percentage of production	Exports: Quantity	Exports: Percentage of production	Net imports: Quantity	Net imports: Percentage of production
	Mil. lb.	Mil. lb.	Pct.	Mil. lb.	Pct.	Mil. lb.	Pct.
1958	688	41.2	6.0	2.4	0.3	38.8	5.6
1959	738	104.2	14.1	2.2	0.3	101.9	13.8
1960	768	87.0	11.3	2.0	0.3	85.0	11.1
1961	832	100.7	12.1	2.0	0.2	98.8	11.9
1962	809	143.2	17.7	2.6	0.3	140.6	17.4
1963 3/	768	144.7	18.8	1.5	0.2	143.2	18.6

1/ Carcass weight equivalent.
2/ Total lamb and total mutton production estimated from slaughter under Federal inspection.
3/ Preliminary.

Lamb imports are equal to only a small part of U. S. lamb production, while mutton imports exceed U. S. mutton production by a wide margin. However, the comparison for mutton is not very meaningful because domestic mutton production is very small. In the past 3 years, lamb production under Federal inspection has been about 94 percent and mutton production only about 6 percent of total lamb and mutton production.

Lamb imports have increased in recent years but still are relatively small compared to domestic production. Lamb imports were equal to about 1 percent of U. S. lamb production in 1958 and to about 2.6 percent in 1963. (Total lamb and total mutton production is estimated from slaughter under Federal inspection.)

Mutton imports also have increased since 1958. In 1960, mutton imports were a little more than half again as large as domestic production and in 1963 were almost 3 times as large.

Mutton imports will be reduced from the 1963 level because of the recent agreement with Australia to limit meat shipments to the United States. Australia is the only important foreign supplier of mutton to the U. S. market, furnishing 95 percent of U. S. total imports in 1963. New Zealand supplied most of the remaining imports.

Trade in Live Animals

Cattle account for most of the U. S. trade in live animals. Feeder stock is a large part of total cattle imports. Feeder stock comes almost entirely from Canada and Mexico. Canada also sends some livestock to slaughter in the United States. There also is some volume of foreign trade in dairy cattle, mostly Canadian exports to the United States.

Almost all of U. S. live cattle exports are breeding stock for herd improvement. Live cattle exports for breeding in 1963 were 23,155 herd, up from 18,039 in 1962 but below exports in other recent years. About 1,000 cattle were exported for slaughter in 1963. While this trade is small compared with that of many other products of the livestock industry, it has larger implications for future livestock production and meat consumption than the figures suggest. In Latin American countries particularly, there is great interest in improving the quality of the domestic cattle and other livestock.

Trade in Byproducts

The high level of U. S. meat production yields larger quantities of byproducts than can be consumed in this country at present prices. An important part of U. S. output of byproducts, therefore, is sold abroad. The principal byproducts entering significantly into U. S. export trade are variety meats, lard, tallow and grease, and hides and skins. The United States is the world's largest exporter of these byproducts, except hides and skins. Their value in U. S. export trade is substantially larger than the value of red meat exports.

Table I.--U. S. Imports of cattle from specified countries, excluding breeding animals and cows for dairy purposes, 1958-63

Year	700 pounds and over				Under 200 pounds			
	Canada	Mexico	Other	Total	Canada	Mexico	Other	Total
	Head	Head	Head	Head	Head	Head	Head	Head
1958	230,025	80,589	1,110	311,724	13,580	3,231	0	16,811
1959	90,259	45,697	0	135,956	30,738	1,037	0	31,775
1960	60,865	19,631	0	80,496	32,079	1,773	0	33,852
1961	88,660	36,410	0	125,070	28,605	8,655	0	37,260
1962	72,205	36,732	0	108,937	41,315	24,925	0	66,240
1963 1/	51,018	18,123	22	69,163	36,618	27,120	1	63,739
	200 to 699 pounds				Total			
	Canada	Mexico	Other	Total	Canada	Mexico	Other	Total
1958	373,671	403,166	0	776,837	617,276	486,986	1,110	1,105,372
1959	186,630	317,095	0	503,725	307,627	363,829	0	671,456
1960	140,471	369,113	0	509,584	233,415	390,517	0	623,932
1961	337,452	497,999	0	835,451	454,717	543,064	0	997,781
1962	351,336	690,228	0	1,041,564	464,856	751,885	0	1,216,741
1963 1/	148,486	540,099	353	688,938	236,122	585,342	376	821,840

1/ Preliminary.

Variety meats

Most U. S. exports of variety meats go to Europe. West Germany has been our best customer for a number of years, accounting for more than one-fourth of U. S. variety meat exports. The United Kingdom and the Netherlands each account for almost one-fourth of the total, and France for more than a tenth. Shipments to all other countries are small.

Variety meat exports totaled 158 million pounds in 1963, up 27 percent from 1962 and a record. Larger shipments to Western Europe accounted for most of the increase.

Lard

U. S. exports of lard amounted to 538 million pounds in 1963, 27 percent more than in 1962. Larger exports to the United Kingdom accounted for about three-fourths of the increase. The United Kingdom has been the largest importer of lard from the United States in the postwar years, and accounted for 80 percent of U. S. exports in 1963. Cuba was the next largest importer until 1961. Difficulties with Cuba shut off shipments in that year. U. S. lard exports in 1963 were just below the 1956-60 average of 545 million pounds, when Cuba was an important customer.

Tallow and Grease

Inedible tallow and grease exports in 1963 totaled 1,872 million pounds. This was 17 percent more than in 1962 and a new record.

Japan is the largest customer for both tallow and inedible hog grease. The Netherlands is the second largest buyer of hog grease.

The outlook is for larger exports of tallow to Japan. A market development program for U. S. tallow in Japanese livestock rations was begun in late 1963 in cooperation with the National Renderers Association. Output of the feed industry in Japan has been growing at the rate of about 40 percent annually.

Spain has become a cash buyer of tallow in recent years and is buying larger quantities.

Considerable quantities of inedible tallow and grease are exported under P. L. 480 to Israel, Egypt, Pakistan, Taiwan, Greece, Turkey, and Colombia.

Hides and Skins

U. S. exports of cattle hides, calfskins, and kipskins totaled 9.8 million pieces in 1963, up 7 percent from the previous year. All of the increase was in cattle hides. Exports of calfskins were down about 6 percent and exports of kipskins were down about a fourth.

Japan continued to be, as in all recent years, the largest foreign buyer of U. S. cattle hides and calfskins. Japanese purchases of cattle hides in each of the last 3 years have been from 3 to 4 times as large as purchases by any other country. The Netherlands, West Germany, Canada, and Mexico are other large buyers.

Exports of sheep and lamb skins totaled 2.9 million pieces in 1963, up almost a third from 1962. Larger exports to the United Kingdom accounted for almost two-thirds of the increase. Exports to the United Kingdom have increased and have been larger than takings by any other country in the past 3 years. Canada, formerly the largest foreign buyer, is now in second place.

Trade in Wool and Mohair

Wool

The United States is a large net importer of wool. Duties paid on imports for use in fabrics are used under the Wool Act of 1954 for various promotional programs for the U. S. sheep and lamb industry and for payments to domestic wool producers to compensate them for the difference between market and support prices for wool.

Carpet wool imports are duty-free. There is virtually no domestic production.

Mohair

The United States produces about half of the world supply of mohair. Texas produces about 97 percent of the U. S. total.

World trade in mohair is relatively large because production is concentrated in a few countries and mohair is widely used in suitings, upholstery materials, and more recently, fashion changes have increased its use in sweaters. Much of the mohair exported by the United States finds its way back to U. S. markets in the form of products manufactured abroad, such as textiles and sweaters.

U. S. exports of mohair in 1963 amounted to 14.2 million pounds, clean content, 13 percent more than in 1962. Exports in 1963 were larger than in any year since 1959. Exports probably amounted to about 60 percent of domestic production.

The United Kingdom continued to be the largest foreign buyer, taking 6.7 million pounds, almost half of total exports. Exports to Japan were up sharply to 2.5 million pounds. The Netherlands, Belgium, and Italy, in that order, were the other major foreign buyers.

Programs for increasing exports of U. S. livestock products

Several overseas market developments programs for U. S. livestock products continued operating in 1963. These included programs relating to

dairy and beef breeding cattle, meat products, lard, tallow, and hides and skins. These programs are carried on in cooperation with nationwide U. S. producer and trade groups. Among the activities promoting the sales of hides and leather abroad in 1963 were a U. S. exhibit at the International Leather Fair in London in May, and participation in the leather show in Paris in September. A U. S. leather show was held at the Tokyo Trade Center in March 1964. Among other activities were pork and feed grain promotions in Japan. Programs for promotion of feed grains and fats in feed rations began in Italy in April 1964. These programs are in addition to regular trade promotion activities carried on by agricultural attaches abroad.

The Meat Import Agreements

Beef imports grew steadily from 1958 and in 1963 were at an all time high. 2/

The U. S. Government sought to reduce the level of imports by asking the countries supplying the major part of the imports to limit their shipments to us. Agreements with Australia and New Zealand, the two largest suppliers, were announced on February 17 and an agreement with Ireland, the third largest supplier, was reached on February 25. The agreements vary somewhat but all cover beef and veal in all forms other than canned, cured, and cooked meats and live animals. Mutton also is covered in the agreement with Australia. Taken together, they provide for a moderate reduction in total imports in 1964 compared with 1963. They also limit future growth in imports considerably below increases of the past few years.

Since the agreements were reached, information from Australia indicates that Australian shipments of beef, veal, and mutton to the United States in 1964 are expected to be substantially below the quantities permitted under the agreement. Beef and veal imports from New Zealand also are expected to be below the amount permitted. Shipments to the United States from other exporting countries may also be down. Recently, the market for beef has improved in the United Kingdom and Europe relative to the United States. Some shipments that ordinarily would go to the United States are being diverted to these markets. In addition, there is a short supply situation in Argentina, which is a large supplier to the United Kingdom and Western Europe.

2/ For a discussion of this development and its effects on U. S. cattle prices, see "The Import Situation for Beef and Veal," Livestock and Meat Situation, November 1963.

Table 5.--Meat imports: United States, by countries, 1958 to date

Product and year	Imports, by country of origin, product weight												Total imports	
	Canada	Mexico	Argentina	Brazil	Denmark	West Germany	Poland	Netherlands	Ireland	Australia	New Zealand	All other	Product weight	Carcass weight equivalent
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Beef and veal: 1/														
1958	53.6	75.0	216.7	13.6	2.5	0.3	---	0.3	23.8	17.7	183.7	32.0	619.2	909
1959	22.6	48.9	128.6	36.0	3.4	.3	---	.3	42.0	224.0	161.6	54.6	722.3	1,063
1960	18.9	39.1	52.7	9.0	4.5	.3	2/	.1	52.8	144.7	130.7	59.8	512.6	775
1961	32.3	53.4	65.2	16.3	6.5	.3	0.1	.1	64.4	233.9	154.4	62.3	689.2	1,037
1962	19.4	59.3	55.9	17.2	7.7	.4	.4	.1	70.7	441.7	213.6	81.1	967.5	1,440
1963 3/	17.2	73.0	87.4	10.9	6.1	.2	1.1	.1	72.9	516.9	235.7	100.9	1,122.4	1,679
Lamb and mutton:														
1958	1.2	---	---	---	---	---	---	---	---	14.6	7.0	1.2	24.0	41
1959	.8	---	---	---	---	---	---	---	---	40.6	12.8	2.6	56.8	104
1960	.1	---	---	---	---	---	---	---	---	38.5	9.1	2.0	49.7	87
1961	.1	2/	---	---	---	---	---	---	2/	44.6	10.8	.3	55.8	101
1962	.5	---	.1	---	---	---	---	---	.2	65.9	11.1	.4	78.2	143
1963 3/	.7	---	---	---	---	---	---	---	2/	65.7	14.8	.6	81.8	145
Pork:														
1958	61.9	2/	2/	---	38.7	7.0	27.0	44.7	.1	---	.1	3.3	182.8	193
1959	59.1	2/	2/	---	37.3	4.7	26.9	43.4	.2	---	.2	3.1	174.9	186
1960	47.3	2/	2/	---	40.7	2.7	35.1	42.0	.2	---	.1	3.2	171.3	186
1961	44.7	.1	---	---	46.2	1.7	34.7	42.0	.2	---	2/	4.1	173.7	187
1962	46.8	2/	---	---	63.8	1.3	39.8	43.4	2.0	2/	.1	6.6	203.8	216
1963 3/	45.8	2/	---	---	71.0	.9	40.0	42.9	1.3	2/	2/	8.6	210.5	226
Total:														
1958	116.7	75.0	216.7	13.6	41.2	7.3	27.0	45.0	23.9	32.3	190.8	36.5	826.0	1,143
1959	82.5	48.9	128.6	36.0	40.7	5.0	26.9	43.7	42.2	264.6	174.6	60.3	954.0	1,353
1960	66.3	39.1	52.7	9.0	45.2	3.0	35.1	42.1	53.0	183.2	139.9	65.0	733.6	1,048
1961	77.1	53.5	65.2	16.3	52.7	2.0	34.8	42.1	64.6	278.5	165.2	66.7	918.7	1,325
1962	66.7	59.3	56.0	17.2	71.5	1.7	40.2	43.5	72.9	507.6	224.8	88.1	1,249.5	1,799
1963 3/	63.7	73.0	87.4	10.9	77.1	1.1	41.1	43.0	74.2	582.6	250.5	110.1	1,414.7	2,050

1/ Includes quantities of other canned, prepared or preserved meat n.e.s. Assumed to be mostly beef.
2/ Less than 50,000 pounds.
3/ Data are preliminary.

Compiled from official records of the Bureau of the Census.

Table 6.--Meat exports: United States exports and shipments by countries, 1958 to date

Product and year	Exports, by destination, product weight										Shipments to Territories 1/	Total exports and shipments	
	Canada	Mexico	Bahamas	West Germany	Jamaica	Trinidad	Netherlands	Venezuela	All other	Total		Product weight	Carcass weight equivalent
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Beef and veal:													
1958	15.8	0.4	1.0	2/	1.1	0.5	2/	0.6	5.4	24.8	8.8	33.6	49
1959	17.6	.4	1.4	2/	1.1	.2	0.1	1.0	5.6	27.4	9.9	37.3	53
1960	19.5	.2	1.8	---	1.3	0.3	.2	.8	5.3	29.4	12.3	41.7	56
1961	18.9	.2	1.8	2/	1.6	.5	.1	.1	6.7	29.9	13.3	43.2	58
1962	16.9	.1	1.9	2/	1.2	.2	.1	2/	6.7	27.1	13.8	40.9	53
1963 4/	14.9	.2	2.2	2/	1.4	.3	.2	2/	8.1	27.3	14.2	41.5	54
Lamb and mutton:													
1958	.4	2/	.1	---	2/	2/	---	2/	.2	.7	---	.7	2
1959	.4	.1	.2	2/	2/	2/	---	2/	.1	.8	---	.8	2
1960	.7	2/	.2	---	2/	2/	---	2/	.6	1.5	---	1.5	2
1961	.5	2/	.2	2/	2/	2/	.4	2/	.5	1.6	---	1.6	2
1962	.5	2/	.2	---	2/	---	---	2/	1.3	2.0	---	2.0	3
1963 4/	.4	2/	.3	---	2/	2/	2/	2/	.3	1.0	---	1.0	1
Pork:													
1958	1.1	5.8	1.6	1.9	1.6	1.2	.7	3.1	37.3	54.3	48.2	102.5	118
1959	1.1	11.0	1.4	3.4	2.0	1.4	1.8	4.1	44.7	70.9	55.4	126.3	143
1960	16.3	5.5	2.0	1.5	2.7	2.8	.5	5.1	33.0	69.4	53.3	122.7	138
1961	36.2	6.7	1.8	2.3	2.9	2.9	.7	6.4	8.4	68.3	56.9	125.2	139
1962	33.8	6.7	1.8	1.5	3.5	3.3	.2	5.1	7.8	63.7	57.5	121.2	132
1963 4/	84.5	6.5	2.2	1.3	4.4	3.2	3.4	4.8	27.8	138.1	58.5	196.6	208
Total: 3/													
1958	20.4	6.5	2.9	1.9	2.8	1.8	.7	5.9	48.0	90.9	78.0	168.9	169
1959	22.6	11.9	3.1	3.5	3.2	1.7	1.9	7.3	53.6	108.8	85.5	194.3	198
1960	37.2	5.9	4.3	1.7	4.1	3.2	.7	8.0	42.5	107.6	87.4	195.0	196
1961	56.2	7.1	4.1	2.5	4.6	3.5	.8	7.0	19.8	105.6	95.0	200.6	199
1962	51.7	7.0	4.0	1.5	4.9	3.7	.4	5.3	19.3	97.8	98.2	196.0	188
1963 4/	100.4	6.9	5.1	1.3	5.8	3.6	3.6	4.9	39.5	171.1	101.9	273.1	263

1/ Puerto Rico and Virgin Islands and Guam.
2/ Less than 50,000 pounds.
3/ Including sausage, bologna and frankfurters canned and not canned, sausage ingredients, meat and meat products n.e.c., and canned baby food.
4/ Data are preliminary.

Source: Compiled from official records of the Bureau of Census.

Table 7.--United States imports of cattle and beef, lambs and lamb and mutton compared with production, 1950-63

Cattle and calves and beef and veal

Year	Imports				Meat production 3/	Imports as a percentage of production
	Live animals		Meat	Total 2/		
	Number	Meat equivalent 1/				
	1,000 head	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Pct.
1950	438	157	348	505	10,764	4.7
1951	220	91	484	575	9,896	5.8
1952	138	47	429	476	10,819	4.4
1953	177	62	271	333	13,953	2.4
1954	71	35	232	267	14,610	1.8
1955	296	93	229	322	15,147	2.1
1956	141	43	211	254	16,094	1.6
1957	703	221	395	616	15,728	3.9
1958	1,126	340	909	1,249	14,516	8.6
1959	688	191	1,063	1,254	14,588	8.6
1960	645	163	775	938	15,835	5.9
1961	1,023	250	1,037	1,287	16,341	7.9
1962	1,232	280	1,440	1,720	16,311	10.5
1963 4/	834	180	1,679	1,859	17,350	10.7
	Lambs and lamb and mutton					
1950	97	3	3	6	597	1.0
1951	14	6/	7	7	521	1.3
1952	5/	6/	6	6	648	.9
1953	1	6/	3	3	729	.4
1954	1	6/	2	2	734	.3
1955	8	6/	2	2	758	.3
1956	3	6/	1	1	741	.1
1957	18	1	4	5	707	.7
1958	40	1	41	42	688	6.1
1959	76	2	104	106	738	14.4
1960	50	1	87	88	768	11.5
1961	1	6/	101	101	832	12.1
1962	21	1	143	144	809	17.8
1963 4/	3	6/	145	145	770	18.8

1/ Estimated at 53 percent of the live weight of all dutiable imports of cattle and for lambs an average 30 pound carcass.
2/ Canned and other processed meats have been converted to their carcass weight equivalent.
3/ Total production (including an estimate for farm slaughter).
4/ Data are preliminary.
5/ Less than 500 head.
6/ Less than 500,000 pounds.

Table 8.--Imports of cattle from Canada and Mexico, excluding breeding animals, 1954 to date

From Canada

Year	Dutiable cattle				
	700 pounds and over		Under 200 pounds	200 to 699 pounds	Total dutiable cattle
	Cows for dairy purposes	Other			
	Head	Head	Head	Head	Head
1954	17,633	46,798	2,872	3,377	70,680
1955	25,252	17,543	3,256	2,218	48,269
1956	22,678	2,914	3,571	1,390	30,553
1957	18,857	186,036	10,486	151,059	366,438
1958	19,586	230,025	13,580	373,671	636,862
1959	14,998	90,259	30,738	186,630	322,625
1960	20,247	60,865	32,079	140,471	253,662
1961	24,972	88,660	28,605	337,452	479,689
1962	15,481	72,205	41,315	351,336	480,337
1963 1/	11,864	51,018	36,618	148,486	247,986
	From Mexico				
1954	--	--	--	--	--
1955 2/	1,424	56,153	539	189,631	247,747
1956	1,684	11,124	848	96,594	110,250
1957	480	44,236	7,914	283,842	336,472
1958	1,255	80,589	3,231	403,166	488,241
1959	1,597	45,697	1,037	317,095	365,426
1960	371	19,631	1,773	369,113	390,888
1961	46	36,410	8,655	497,999	543,110
1962	34	36,732	24,925	690,228	751,919
1963 1/	7	18,123	27,120	540,099	585,349

1/ Data are preliminary.
2/ Embargo which began in February 1952 due to foot-and-mouth disease was removed January 1, 1955.

Compiled from official records of the Bureau of the Census.

Table 9.--Rank of States in live weight of farm production of meat animals, 1963 1/

Rank	Cattle and calves		Sheep and lambs		Hogs	
	State	Production	State	Production	State	Production
		Mil. lb.		Mil. lb.		Mil. lb.
1	Texas	3,195	Texas	156	Iowa	4,697
2	Iowa	2,689	California	106	Illinois	2,911
3	Nebraska	2,010	Wyoming	104	Indiana	1,951
4	Kansas	1,962	Colorado	101	Missouri	1,535
5	California	1,652	South Dakota	92	Minnesota	1,491
6	Minnesota	1,499	Idaho	91	Nebraska	1,073
7	Missouri	1,396	Iowa	86	Ohio	909
8	Illinois	1,378	Montana	75	South Dakota	741
9	South Dakota	1,360	Utah	62	Wisconsin	717
10	Oklahoma	1,272	Minnesota	59	Kansas	528
11	Colorado	1,038	Ohio	45	Kentucky	446
12	Wisconsin	1,019	Oregon	44	North Carolina	407
13	Montana	806	New Mexico	43	Tennessee	386
14	North Dakota	712	Kansas	42	Georgia	385
15	Indiana	641	North Dakota	40	Texas	278
16	Kentucky	634	Illinois	39	Michigan	258
17	Ohio	631	Nebraska	37	Alabama	254
18	Tennessee	545	Missouri	31	Virginia	216
19	Mississippi	541	Indiana	28	Pennsylvania	154
20	Idaho	491	Michigan	21	North Dakota	148
21	Michigan	468	Arizona	21	Mississippi	134
22	Alabama	465	Washington	19	Oklahoma	133
23	Louisiana	437	Kentucky	17	South Carolina	129
24	Oregon	432	Virginia	17	Arkansas	102
25	New Mexico	429	West Virginia	14	California	91
26	Wyoming	406	Wisconsin	13	Florida	78
27	Washington	396	Nevada	12	Colorado	70
28	Pennsylvania	394	Oklahoma	12	Montana	63
29	Virginia	392	Pennsylvania	10	Maryland	53
30	Florida	379	Tennessee	8	Oregon	51
31	Arkansas	372	New York	7	Idaho	49
32	New York	372	Maryland	2	Washington	44
33	Georgia	358	Maine	2	Louisiana	37
34	Arizona	331	North Carolina	2	West Virginia	29
35	Utah	222	Arkansas	2	New York	29
36	North Carolina	202	Louisiana	2	Massachusetts	27
37	Nevada	145	Mississippi	1	New Jersey	24
38	South Carolina	131	New Jersey	1	Utah	17
39	West Virginia	127	Alabama	1	New Mexico	15
40	Maryland	115	Connecticut	2/	Wyoming	13
41	Vermont	69	Georgia	2/	Delaware	13
42	Hawaii	51	Massachusetts	2/	Hawaii	11
43	New Jersey	38	Vermont	2/	Arizona	8
44	Maine	37	Alaska	2/	Maine	6
45	Connecticut	27	Delaware	2/	New Hampshire	4
46	Massachusetts	26	Florida	2/	Connecticut	3
47	New Hampshire	20	New Hampshire	2/	Vermont	3
48	Delaware	11	South Carolina	2/	Nevada	3
49	Rhode Island	4	Rhode Island	2/	Rhode Island	2
50	Hawaii	1	Hawaii	---	Alaska	2/
U. S.		30,328		1,461		20,729

1/ Live weight produced during year by livestock on farms in 50 States. Preliminary data.
2/ Less than 500,000 pounds.

Table 10.--Edible offals: Supply and distribution, 1951 to date

Year	Supply: Total production 1/	Supply: Beginning commercial stocks	Supply: Imports	Supply: Total	Distribution: Ending commercial stocks	Distribution: Commercial exports 2/	Domestic disappearance: Military	Domestic disappearance: Civilian	Domestic disappearance: Per capita 3/
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Lb.
1951	1,501	59	4	1,564	64	6	4/	1,494	9.9
1952	1,577	64	1	1,642	69	4	4/	1,569	10.2
1953	1,704	69	1	1,774	59	29	4/	1,686	10.8
1954	1,743	59	1	1,803	65	46	4/	1,692	10.6
1955	1,853	65	4/	1,918	70	70	4/	1,778	11.0
1956	1,932	70	4/	2,002	59	99	4/	1,844	11.2
1957	1,849	59	4/	1,908	5/	91	4/	1,758	10.4
1958	1,756	---	2	1,758	---	69	4/	1,689	9.8
1959	1,859	---	2	1,861	---	91	4/	1,770	10.1
1960	1,922	---	2	1,924	---	118	4/	1,806	10.2
1961	1,944	---	2	1,946	---	123	4/	1,823	10.1
1962	1,968	---	3	1,971	---	124	4/	1,847	10.1
1963	2,072	---	3	2,075	---	158	4/	1,917	10.3

1/ Production of offals based on percentage of carcass-weight meat production, including farm: beef 6.7, veal 10.7, lamb and mutton 5.1, pork excluding lard 6.7 percent. 2/ Beginning 1952 includes small quantities of sausage ingredients reported in Bureau of Census classification "other meats except canned (including edible animal organs)". 3/ Civilian per capita. 4/ Less than 500,000 pounds. 5/ Not reported. Assumed no change in stocks during the year.

Table 11.--Canned meat: Supply and distribution, 1951 to date

Year	Federally inspected production 1/	Imports: Canned beef 2/	Imports: Canned pork 3/	Beginning stocks 4/	Commercial exports and shipments 5/	Ending stocks 4/	Domestic disappearance: Military 6/	Domestic disappearance: Civilian 7/ 10/	Domestic disappearance: Per capita 8/ 10/
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Lb.
1951	1,441	154	31	27	21	35	246	1,351	8.9
1952	1,351	120	54	35	19	37	58	1,446	9.4
1953	1,437	100	97	37	9/ 29	34	50	1,558	10.0
1954	1,441	85	113	34	9/ 32	54	34	1,553	9.8
1955	1,508	87	107	54	22	37	38	1,659	10.2
1956	1,716	73	97	37	28	51	18	1,826	11.0
1957	1,659	95	108	51	43	57	23	1,790	10.6
1958	1,651	113	123	57	24	57	21	1,842	10.7
1959	1,687	95	120	57	26	53	12	1,868	10.7
1960	1,754	77	127	53	23	57	11	1,920	10.8
1961	1,896	95	125	57	21	56	21	2,075	11.5
1962	1,980	84	158	56	17	59	27	2,175	11.9
1963	2,058	112	151	70	17	76	58	2,240	12.1

1/ Beef, pork, sausage, all other, excluding soup. Data from Meat Inspection Division, ARS. 2/ Data from Department of Commerce. 3/ Federally inspected for entry. Data from Meat Inspection Division, ARS. 4/ Refrigerated stocks only. 5/ Includes shipments to Territories. Data from Department of Commerce. 6/ From Statistical Yearbook of the Quartermaster Corps and other military records. 7/ Calculated from federally inspected supplies and distribution as shown. Federally inspected production is the largest part of total U. S. production of canned meats. 8/ Civilian per capita. 9/ Includes small quantities of canned beef and gravy procured by USDA and shipped abroad by CARE. 10/ Includes canned meat bought by the Department of Agriculture for school lunches and eligible institutions.

Supply and distribution of meat, by months, October 1963 to date

Meat and period	Commercially produced								Total 3/		
	Supply			Distribution						Civilian consumption	
							Civilian consumption				
	Production	Beginning stocks	Imports 1/	Exports and shipments	Ending stocks	Military	Total	Per person 2/	Production	Total	Per person
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Lb.	Mil. lb.	Mil. lb.	Lb.
Beef:											
October	1,513	220	153	5	237	27	1,617	8.7	---	---	---
November	1,299	237	129	5	268	27	1,365	7.3	---	---	---
December	1,316	268	132	5	281	29	1,401	7.5	---	---	---
4th quarter	4,128	220	414	15	281	83	4,383	23.5			24.1
Year	16,049	189	1,653	52	281	364	17,194	92.5	16,423		94.6
1964											
January	1,511	281	131	7	283	33	1,600	8.5			
February	1,299	283	78		264	36					
March	1,412										
1st quarter	4,222										
Veal:											
October	84	8	3	4/	9	2	84	.4	---	---	---
November	70	9	4	1	11	2	69	.4	---	---	---
December	67	11	3	4/	13	4	64	.3	---	---	---
4th quarter	221	8	10	1	13	8	217	1.2			1.3
Year	847	12	26	2	13	39	831	4.5	927		4.9
1964											
January	75	13	2	4/	14	1	75	.4			
February	64	14	1		14	1					
March	68										
1st quarter	207										
Lamb and mutton:											
October	76	18	4	4/	18	1	79	.4	---	---	---
November	59	18	5	4/	17	4/	65	.3	---	---	---
December	60	17	14	1	18	4/	72	.4	---	---	---
4th quarter	195	18	23	1	18	1	216	1.2			1.2
Year	757	15	145	1	18	3	895	4.8	770		4.9
1964											
January	71	19	17	4/	18	4/	89	.5			
February	55	18	5		19	4/					
March	59										
1st quarter	185										
Pork:											
October	1,110	210	21	20	211	15	1,095	5.9	---	---	---
November	1,075	211	18	22	250	16	1,016	5.4	---	---	---
December	1,130	250	21	23	277	33	1,068	5.7	---	---	---
4th quarter	3,315	210	60	65	277	64	3,179	17.0			16.9
Year	11,863	230	226	208	277	237	11,597	62.4	12,439		65.5
1964											
January	1,161	277	18	30	333	19	1,074	5.7			
February	972	333	18		380	17					
March	1,051										
1st quarter	3,184										
All meat:											
October	2,783	456	181	25	475	45	2,875	15.4	---	---	---
November	2,503	475	156	28	546	45	2,515	13.5	---	---	---
December	2,573	546	170	29	589	66	2,605	13.9	---	---	---
4th quarter	7,859	456	507	82	589	156	7,995	42.8			45.5
Year	29,516	446	2,050	263	589	643	30,517	164.2	30,559		169.9
1964											
January	2,818	590	168	37	648	53	2,838	15.1			
February	2,390	648	102		677	54					
March	2,590										
1st quarter	7,798										

1/ Data are preliminary.
2/ Derived from estimates by months of population eating out of civilian food supplies.
3/ Includes production and consumption from farm slaughter.
4/ Less than 500,000 pounds.

Selected price statistics for meat animals and meat

Item	Unit	1963 March	1963 April	1964 February	1964 March	1964 April
Cattle and calves						
Beef steers, slaughter	Dollars per					
Chicago, Prime	100 pounds	24.84	24.95	21.98	22.37	
Choice	do.	23.63	23.77	21.34	21.56	
Good	do.	22.39	22.73	20.59	20.80	
Standard	do.	20.47	20.42	18.25	18.56	
Utility	do.	26.65	18.45	15.95	16.66	
All grades	do.	23.30	23.51	21.18	21.38	
Omaha, all grades	do.	21.94	22.20	20.18	20.42	
Sioux City, all grades	do.	22.07	22.26	20.43	20.48	
Cows, Chicago						
Commercial	do.	15.68	15.86	13.47	14.52	
Utility	do.	15.52	15.74	13.51	14.58	
Cutter	do.	14.42	14.80	12.94	13.75	
Canner	do.	13.12	13.58	11.82	12.45	
Vealers, Choice, S. St. Paul	do.	30.75	29.38	31.91	29.98	
Stocker and feeder steers, Kansas City 1/	do.	23.45	24.12	21.57	21.42	
Price received by farmers						
Beef cattle	do.	19.60	20.30	18.10	18.60	
Cows	do.	14.30	14.30	13.00	13.60	
Steers and heifers	do.	21.50	22.50	20.10	20.40	
Calves	do.	25.10	25.30	23.30	23.30	
Hogs						
Barrows and gilts, U. S. No. 1, 2 & 3, Chicago						
200-220 pounds	do.	14.36	14.22	15.28	15.08	
220-240 pounds	do.	14.24	14.11	15.09	14.39	
240-270 pounds	do.	14.03	13.77	14.39	14.19	
All weights	do.	14.10	13.90	14.75	14.56	
Barrows and gilts, 8 markets 2/	do.	14.07	13.78	14.70	14.48	
Sows, Chicago	do.	12.31	11.79	12.38	12.55	
Price received by farmers	do.	13.70	13.60	14.30	14.10	
Hog-corn price ratio 3/						
Chicago, barrows and gilts		11.9	11.7	12.4	12.0	
Price received by farmers, all hogs		12.9	12.6	13.2	12.7	
Sheep and lambs	Dollars per					
Sheep	100 pounds					
Slaughter ewes, Good, Chicago	do.	7.00	7.00	6.95	8.30	
Price received by farmers	do.	6.57	6.48	6.10	6.40	
Lamb						
Slaughter, Choice, Chicago	do.	19.13	20.00	20.95	23.00	
Feeder, Choice, Omaha	do.	17.46	17.50	---	---	
Price received by farmers	do.	17.70	18.20	18.50	19.80	
All meat animals						
Index number price received by farmers						
(1910-14=100)		281	288	269	278	
Meat						
Wholesale, Chicago	Dollars per					
Steer beef carcass, Choice, 500-600 pounds	100 pounds	39.99	40.59	38.84	38.25	
Lamb carcass, Choice, 45-55 pounds	do.	39.14	41.75	41.12	44.69	
Composite hog products:						
Including lard						
71.90 pounds fresh	Dollars	15.70	15.14	16.35	15.99	
Average per 100 pounds	do.	21.84	21.06	22.74	22.24	
71.01 pounds fresh and cured	do.	20.04	19.28	20.67	20.59	
Average per 100 pounds	do.	28.22	27.15	29.11	29.00	
Excluding lard						
55.99 pounds fresh and cured	do.	17.93	17.20	18.49	18.42	
Average per 100 pounds	do.	32.02	30.72	33.02	32.90	
Retail, United States average	Cents					
Beef, Choice grade	per pound	83.1	79.5	78.7	77.4	
Pork, retail cuts	do.	56.7	55.1	56.3	56.1	
Lamb, Choice grade	do.	71.0	72.6	73.6	74.5	
Index number meat prices (BLS)						
Wholesale (1957-59=100)		88.4	87.2	86.3	86.6	
Retail (1957-59=100) 4/		101.2	98.3	99.0	97.9	

1/ Average all weights and grades.
2/ Chicago, St. Louis N. S. Y., Kansas City, Omaha, Sioux City, S. St. Joseph, S. St. Paul, and Indianapolis.
3/ Number bushels of corn equivalent in value to 100 pounds of live hogs.
4/ Includes beef and veal, pork, leg of lamb and other meats.

Selected marketing, slaughter and stocks statistics for meat animals and meat

Item	Unit	1963 March	1963 April	1964 February	1964 March	1964 April
Meat animal marketings						
Index number (1947-49=100)		134	136	129	130	
Stocker and feeder shipments to 8 Corn Belt States	1,000					
Cattle and calves	head	350	487	525	384	
Sheep and lambs	do.	98	137	143	133	
Slaughter under Federal inspection						
Number slaughtered						
Cattle	do.	1,694	1,727	1,710	1,878	
Steers	do.	995	1,049	1,023	1,128	
Heifers	do.	393	378	364	409	
Cows	do.	291	283	308	323	
Bulls and stags	do.	15	17	15	17	
Calves	do.	410	373	342	400	
Sheep and lambs	do.	1,137	1,116	980	1,035	
Hogs	do.	6,559	6,343	5,898	6,420	
Percentage sows	Percent	5	6	5	5	
Average live weight per head						
Cattle	Pounds	1,058	1,054	1,078	1,076	
Calves	do.	184	190	203	186	
Sheep and lambs	do.	102	100	103	103	
Hogs	do.	235	238	238	238	
Average production						
Beef, per head	do.	617	619	633	629	
Veal, per head	do.	104	108	115	106	
Lamb and mutton, per head	do.	50	50	51	51	
Pork, per head	do.	141	142	144	143	
Pork, per 100 pounds live weight	do.	60	60	60	63	
Lard, per head	do.	29	30	29	30	
Lard, per 100 pounds live weight	do.	12	13	12	12	
Total production	Million					
Beef	pounds	1,041	1,066	1,080	1,178	
Veal	do.	43	40	39	42	
Lamb and mutton	do.	57	55	50	52	
Pork	do.	925	901	845	915	
Lard	do.	187	189	173	189	
Commercial slaughter 1/						
Number slaughtered	1,000					
Cattle	head	2,137	2,182	2,116	2,316	
Calves	do.	600	544	511	586	
Sheep and lambs	do.	1,261	1,270	1,088	1,175	
Hogs	do.	7,546	7,353	6,820	7,400	
Total production	Million					
Beef	pounds	1,276	1,304	1,299	1,412	
Veal	do.	68	65	64	68	
Lamb and mutton	do.	63	62	55	59	
Pork	do.	1,056	1,037	972	1,051	
Lard	do.	208	212	192	210	
Cold storage stocks first of month						
Beef	do.	177	190	283	268	268
Veal	do.	12	11	14	14	12
Lamb and mutton	do.	21	23	18	18	16
Pork	do.	275	333	333	382	398
Total meat and meat products 2/	do.	557	637	729	773	794

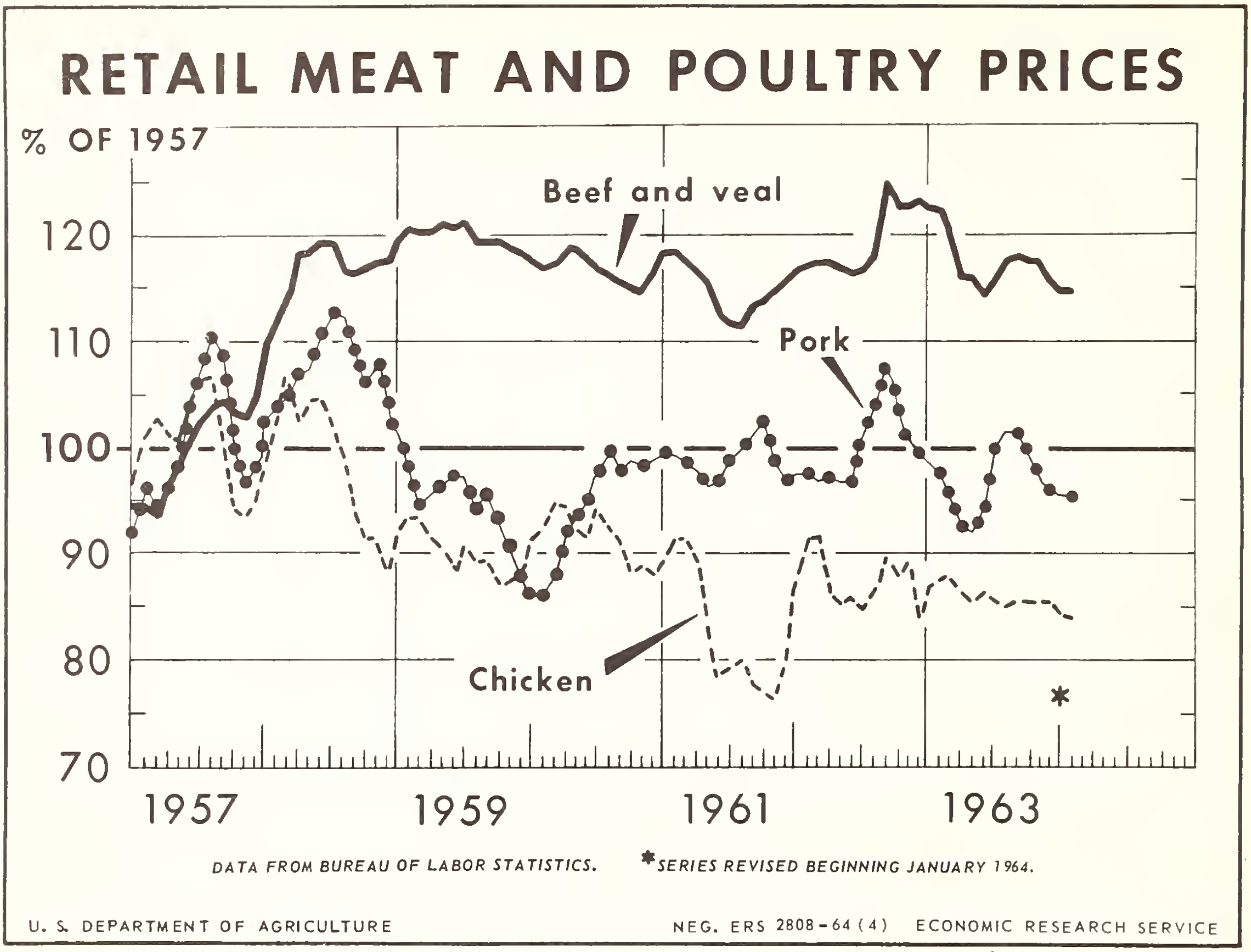
1/ Federally inspected, and other wholesale and retail.

2/ Includes stocks of canned meats in cooler in addition to the four meats listed.

LIST OF TABLES

Standard Summary Tables

LIST OF TABLES - Continued



The Livestock and Meat Situation is published in January, March, May, July, October, and November.

The next issue is scheduled for release July 1964.

ERRATA

The sentence in the partial paragraph on top of page 41 of the November 1963 issue of the Livestock and Meat Situation LMS-134, should be corrected to read: "On the other hand, a 1-pound change in the cow beef plus import aggregate affects the Choice steer price by about 30 cents."

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